

SPRING 1957

*Public
Administration
Review*

JOURNAL OF THE AMERICAN SOCIETY
FOR PUBLIC ADMINISTRATION

*The
American Society
for
Public Administration*

To Advance the Science, Processes, and Art of Public Administration

HENRY REINING, JR., *President*
JOHN W. MAGY, JR., *Vice President*
ROBERT J. M. MATTHESON, *Executive Director*

COUNCIL

HOLLIS B. BACH	MATTHIAS E. LUKENS
GORDON R. CLAPP	VAL C. MOGENSEN
RAFAEL DE J. CORREO	MELTON MURKIN
JOHN E. DEVER	WILLIAM W. PARSONS
RICHARD L. DUNHAM	ALFRED M. PELMAN
MYRTLE ELLIS	CATHERYN SACKLER-HUBSON
HERBERT EMMERICH	JULE M. SUGARMAN
PHILLIP C. JOHNSON	STEPHEN B. SWINNEY
FRANK M. LANDERS	ROBERT A. WALKER

PUBLIC ADMINISTRATION REVIEW

YORK WILHELM, *Editor-in-Chief*
LAVENE BURCHFIELD, *Managing Editor*

EDITORIAL BOARD

W. B. AVERY	JOHN C. HONEY
EDWIN A. BOCK	ARTHUR NAFTALIN
G. HOMER DURHAM	SAMUEL M. ROSENTH
O. GLENN STAHL	

Public Administration Review

THE JOURNAL OF THE AMERICAN SOCIETY FOR PUBLIC ADMINISTRATION

Volume XVII SPRING • 1957 Number 2

Public Administration and Business Management	L. Urwick	77
Seven Letters: A Case in Public Management		
. Secured and submitted by Edwin O. Stene		83
Strengthening the Federal Career Executive	Richard M. Paget	91
The Milieu Theory of Control	George H. Axinn	97
"Who Are We To Believe?"	Luther Gulick	106
Planning in India: Research and Administration	Merrill R. Goodall	111
Contract Authorization in Federal Budget Procedure	George Y. Harvey	117
Reviews of Books and Documents		
Government and Economic Life	Marver H. Bernstein	125
<i>Public Administration and Policy Formation</i> , Emmette S. Redford, editor.		
Research Notes		131
Contemporary Topics		137

Published quarterly, in February, May, August, and November, by the American Society for Public Administration, 6042 Kimbark Avenue, Chicago 37, Illinois. Entered as second class matter February 7, 1947, at the post office at Chicago, Illinois, under the Act of March 3, 1897, with additional entry at Brattleboro, Vermont.

The contents of *Public Administration Review* are indexed in Public Affairs Information Service, International Index to Periodicals, and Index to Legal Periodicals. They are microfilmed by University Microfilms.

Subscriptions: domestic, \$8 a year; foreign, \$9 a year. No discount to agents.

Single copies: \$2.

Annual membership dues: sustaining members \$15 or more; members \$8; junior members (those 28 years of age or under) \$4; student members \$4. Of the amount paid for membership dues, \$4 is allocated to the subscription to *Public Administration Review*. Address: American Society for Public Administration, 6042 Kimbark Avenue, Chicago 37, Illinois.

Arnold Miles 1908-1957

Arnold Miles, a member of the American Society for Public Administration from its establishment, and a member of the Editorial Board of *Public Administration Review* in 1953-1954, died in Washington, D. C., April 19, 1957.

The editors of the *Review* can think of no

better way to note the loss his untimely death causes to his many friends, to the Society, and to the public service than to reprint a letter from James R. Rowe, Jr., that was published in the April 29 issue of *The Washington Post and Times Herald*.

Tribute to a Public Servant

A man named Arnold Miles died the other day.

He was a comparatively young man, if one who dies before 50 can be called "young." The press obituaries listed his rather considerable accomplishment as a Government servant in impressive but somewhat conventional terms.

It seemed, at least to me, that they failed to give meaning to what was a most purposeful and productive life.

For Arnold Miles was an excellent example, indeed a symbol, of a very large number of qualified Government servants who perform splendidly for this Nation but whose work is so expert, so selfless and so remote that the American people are always unaware how lucky they often are.

It is not too much to say, for instance, that what good may have come out of the work of the two Hoover Commissions in improving the Federal Government was in a very major way due solely to Miles, despite the ambiguity of his tenuous relationship with those two Commissions.

The Air Force, costly as it is, runs better and costs less because he once devoted several years of unremitting effort to simplify its labyrinth. He spent his life as a Government servant on city, state and national levels. It simply never occurred to him to be anything else.

A man who personally held passionate political beliefs, he believed even more strongly in government as a career and was thus able to serve successive Democratic and Republican administrations with an equal dispassion.

We, the people, tend too much to think of

our Government servants in terms of major or minor venality, or in terms of personal struggles for power, since these are often the sensations of the passing day.

It was Arnold Miles' good fortune that a few politicians with imagination, such as that most imaginative politician of them all, Gov. Munoz Marin of Puerto Rico, knew enough to let his knowledge work for their people. And it was their good fortune that experience had taught a most energetic Miles patience, tolerance and also understanding of well-intentioned politicians.

The result was much better government wherever his hand touched. He was supremely uninterested in "good" government, *per se*, though he always fought the rascals; he was greatly interested in efficient government.

He thought it was an instrument to be used freely for the people, and spending dollars on their behalf did not frighten him; he felt only that it was important they should get a dollar's worth for a dollar spent.

It will do none of us harm, and all of us great good, to pause for a moment in his tribute. He served us far better than we deserved. He was the kind of man Edmund Burke would have had in mind when he wrote:

"Those who would carry on great public schemes must be proof against the worst fatiguing delays; the most mortifying disappointments, the most shocking insults and, what is worst of all, the presumptuous judgment of the ignorant upon their design."

JAMES ROWE JR., Washington.

IN THIS NUMBER

L. URWICK is chairman, Urwick, Orr and Partners, Ltd., management consultants. He holds the Gold Medal of the International Committee for Scientific Management and the Wallace Clark International Management Award. Among his books are: *The Meaning of Rationalisation*; *Management of To-morrow*; *Papers on the Science of Administration* (jt. ed.); *The Development of Scientific Management in Great Britain*; *The Elements of Administration*; *The Making of Scientific Management* (3 vols.); and *Management Education in American Business*. He edited the management papers of the late Mary Parker Follett: *Dynamic Administration* and *Freedom and Coordination*.

EDWIN O. STENE is professor of political science, University of Kansas. For several years he has used in his classes the seven inter-office communications that make up the bulk of the case here published and has found that they elicit lively discussion.

RICHARD M. PAGET has been with the firm of Cresap, McCormick and Paget, management consultants, since 1946, where he is currently a senior partner. Other experience has included work as a staff member and partner, Booz, Allen and Hamilton, 1934-42, and as management engineer, Navy Department, 1942-46. He was commissioned lieutenant (jg) USNR in 1942 and returned to inactive duty January, 1946, as captain.

GEORGE H. AXINN has been at Michigan State University since 1953, where he is currently assistant to the director, Cooperative Extension Service. Other experience has included editorial assistant, New York State Agricultural Experiment Station, Geneva, New York, 1947-49; bulletin editor, University of Maryland, 1949; and agricultural editor and later chairman, Department of Rural Communications, University of Delaware, 1950-53. His doctoral program at the University of Wisconsin, nearing completion, combines public administration, personnel management, sociology, economics, and extension education.

LUTHER GULICK has been president of the Institute for Public Administration since 1923. He was director, Office of Organization Planning, War Production Board, 1942-44; consultant on organization to the chairman and general manager, Smaller War Plants Corporation, 1944-45; member, U. S. Reparations Mission staff, 1945-46; executive director, Mayor's Committee on Management Survey (New York City), 1950-53; and city administrator for New York City, 1954-55.

MERRILL R. GOODALL is associate professor of Asian studies and government, Claremont Graduate School. He was in India during World War II with the Office of Strategic Services; in 1951-53 as a visiting professor of political science at the Universities of Delhi and Lucknow and as advisor on administration to the Prime Minister of Nepal; and in 1954-55 as codirector of the Lucknow-Cornell Research Centre. He has also been a member of the faculties of the University of Alabama, the Johns Hopkins University, and the University of Colorado.

GEORGE Y. HARVEY is a member of the Department of Political Science, University of Missouri, where he teaches courses in federal legislation and government budget administration. For six years he was staff assistant and for eight years staff director, Committee on Appropriations, U. S. House of Representatives. Other experience has been as judicial office examiner, U. S. Department of Justice, and as budget officer, Federal Security Agency.

MARVER H. BERNSTEIN is associate professor of politics at Princeton University, where he has been a member of the faculty since 1946. He has also been budget examiner, U. S. Bureau of the Budget, and consultant to the Little Hoover Commission in Connecticut, the Economic Stabilization Agency, and since 1952 to the state comptroller of Israel. He is the author of *Regulating Business by Independent Commission*, 1955.

In the Next Issue . . .

PUBLIC ADMINISTRATION REVIEW is changing its cover, title page, and article heading slightly to improve readability and appearance.

In content, the REVIEW will continue to deal as thoughtfully and comprehensively as possible with the practice and theory of public administration.

ASPA National Conference

March 23-26, 1958—Sunday through Wednesday

Hotel Statler, New York, New York

Public Administration Review is intended to promote the exchange of ideas among public officials and students of administration. The various views of public policy and public administration expressed herein are the private opinions of the authors; they do not necessarily reflect the official views of the agencies for which they work or the opinions of the editors of this journal.

Public Administration and Business Management

By L. URWICK, O.B.E., M.C., M.A.

SOME ten years ago Professor Dahl in an article in the *Public Administration Review*, "The Science of Public Administration: Three Problems," took me very severely to task for the statement that "there are principles . . . which should govern arrangements for human association of any kind. These principles can be studied as a technical question, irrespective of the purpose of the enterprise, the personnel composing it, or any constitutional, political, or social theory underlying its creation."¹

"Sweeping generalizations such as these," he commented, "gave promise of a set of 'universal principles': i.e. a science. American students of public administration could not fail to be impressed." He then proceeded to take me to task on the ground, *inter alia*, that I had "presupposed an essentially rational, amenable individual . . . who would accept logical organization. . . ." (p. 5)

Meaning of a "Science"

IT is not my purpose here this afternoon to enter into debate with Professor Dahl. Though I must confess that some of his dicta at that time made me chuckle.

For instance, "Development of a science of public administration implies the development of a science of man in the area of services administered by the public." (p. 7) Why not

NOTE: This article was a luncheon address at the Annual Conference of the American Society for Public Administration, March 21, 1957.

¹ Robert A. Dahl, "The Science of Public Administration: Three Problems," 7 *Public Administration Review* 5 (Winter, 1947), quoting from L. Urwick, "Organization as a Technical Problem," in Luther Gulick and L. Urwick, eds., *Papers on the Science of Administration* (Institute of Public Administration, Columbia University, 1937), p. 49.

just "a science of man"? Admittedly the genus *homo* was somewhat optimistically classified *sapiens*. But are his behavior and his habits really so frozen into the ice pack of his calling that we can detect no common rules, no human qualities and tendencies, that transcend these occupational categories? Is this suggestion more than the ancient alibi which so long handicapped the development of a body of knowledge about business management—"my business is different"—implying that the maker of soap had nothing to learn from the vendor of sausages. Are we really condemned to a biology of bureaucrats, a physiology of professors, and a psychopathology of politicians? Are these occupational distinctions valid?

The trouble, of course, centers round the phrase "a science." But it was Professor Dahl, not I, who stated that my "generalizations gave promise of a science." The article from which the quotations are drawn made no such claim. It was entitled, with intention, "Organization as a Technical Problem."

Personally I believe that an *exact* science of human social behavior is many centuries away. Individual psychology has been an inductive study for little more than half-a-century. Our knowledge of the biochemistry of the nervous system is as yet insufficient to provide an adequate physical foundation for an exact science of individual psychology. The prospects of a reliable group psychology are much more remote. Indeed it seems to me that altogether too much ink and paper are being expended on discussing whether this or that body of knowledge is or is not a science, as though there were no two meanings to the word.

A "science" can mean a body of knowledge like the knowledge found in the physical sciences. Or it can mean an organized body of knowledge of any kind. The argument about

this ambiguity is at least half-a-century old. It started with the phrase "scientific management" adopted by Frederick Winslow Taylor, though with misgivings.

But that Taylor ever meant by the phrase that management is "a science" in the first sense is contrary to the record. He said precisely the opposite—"management is also destined to become more of an art."² And he also made it quite clear that in using the adjective "scientific" he merely intended to imply the possibility of an organized body of knowledge about the subject.³

There is a vast amount of human experience about all kinds of administrative and managerial problems. If we will organize it, measure it where we can, and generalize from it, we can build up a body of knowledge about managing which can be taught and learned. And that will be a much better plan than leaving people to learn merely by the accidents of practical apprenticeship and "trial and error." Before supporting too enthusiastically the old empirical method of learning, critics would be wise to remember that in the activity of managing the learner's errors are other peoples' trials.

What Taylor did say very definitely, however, and I think very rightly, was that the only way out of the conflict between employers and employed which has crystallized since the industrial revolution is for both sides (1) to recognize that they are engaged in a common activity and (2) to approach the problems created by that common activity in the scientific temper and spirit. That seems to me incontestable. We cannot live within a culture dominated and shaped by advances in our control over material things, advances which have placed a great strain on our capacity to cooperate with each other, without modifications in our political and social arrangements. And if we are to arrive at such changes without endless strife and confusion we must agree on a common mental approach to our problems. That it should be the same approach as has created the problems, the scientific approach, is merely an example of the traditional remedy

for another form of excess "the hair of the dog."

A similar lack of semantic sophistication is found in the use of the word "principle." In the same article Professor Dahl refers to the "supposed laws of public administration." (p. 4) And it is obvious that he regards my "principles" not as provisional generalizations which have, so far, been found useful in practice, but as statements of an invariable relation between cause and effect. The same mistake was made by Professor Simon, in his chapter on "Some Problems of Administrative Theory," in his otherwise invaluable *Administrative Behavior*.⁴

I find it necessary to make the point because there is obviously a reaction under way, especially among academic people, against the proposition that there are very great similarities about the way human beings react to similar organizational and administrative arrangements whether in the public service, in business, or anywhere else. I am convinced that by the study of those similarities we can arrive at important generalizations which are of the greatest value both as a diagnostic instrument and as a guide to correcting difficulties encountered in practice.

A more hopeful note was sounded recently by Chancellor Edward Litchfield of the University of Pittsburgh:

Actually our practice is years ahead of our thought. There is abundant evidence to demonstrate our unexpressed conviction that there is much that is common in administration. . . . The constant movement of executive personnel from business to government, from the military forces into large business, from both government and business into education, is emphatic testimony supporting our conviction . . . of an essential universality in the administrative process itself. Again, it is a commonplace to observe that management consulting firms find their knowledges and skills applicable in the department store, on the one hand, and in the government bureau or the university, on the other. . . . As theorists we have not yet established generalized concepts which keep pace with the facts of contemporary administration.⁵

⁴ Herbert A. Simon, *Administrative Behavior* (Macmillan Co., 1947), Chap. II, "Some Problems in Administrative Theory."

⁵ Edward H. Litchfield, "Notes on a General Theory of Administration," 1 *Administrative Science Quarterly* 8-9 (June, 1956).

² F. W. Taylor, "Shop Management" in *Scientific Management* (Harper & Bros., 1947), p. 63.

³ *Ibid.*, "Testimony," p. 41.

Surely the discovery of such similarities and their use as a guide in our perplexities and confusions is a more hopeful and constructive task than endless logic-chopping directed to proving that a particular principle is not universal or that this or that presentation is not truly scientific. Criticism let there be in plenty. That is healthy and invigorating. But let the critics from the academic world remember that they are professionals in inky warfare. The practical man trying to describe his experiences and to generalize from them is not. They may well lose the advantage of that experience if they try to make the practical man compete with them on their own professional terms.

Personally, I infinitely prefer the homespun philosophy of the late Ortega y Gasset:

... Life cannot wait until the sciences may have explained the universe scientifically. We cannot put off living until we are ready. The most salient characteristic of life is its coerciveness: it is always urgent, "here and now" without any possible postponement. ... If the physicist had to live by the ideas of his science, you may rest assured he would not be so finicky as to wait for some other investigator to complete his research a century or so later. He would renounce the hope of a complete scientific solution, and fill in, with approximate or probable anticipations, what the rigorous corpus of physical doctrine lacks at present, and in part, always will lack.⁶

It is to such "approximate or probable anticipations" that I attach the title "principle." We use them all the time in our practical work as management consultants.

The Span of Control

TAKE, for instance, the principle described as "the span of control," about which there has been much verbal disputation on the ground that it is supposed to conflict with the principle of reducing administrative levels to a minimum. To be sure, when the doctor tells you not to eat too much your wife is apt to invoke the opposite principle and to tell you that you will make yourself ill if you starve yourself so. But that doesn't prove your doctor wrong.

Men have an appetite for power and self-importance, just as they have an appetite for

good food. It is an appetite which feeds on having rows of subordinates waiting on their doormat. And where it is not restrained by recognition of the limits imposed by the span of control, there will always be some managers in every kind of undertaking driving their subordinates scatty and themselves into the ground by ignoring the human limitation of a restricted span of attention.

Literally hundreds of times in the course of professional practice our consultants have encountered cases of managers and foremen who were "falling down on the job" for no other reason save failure to recognize the importance of that principle. A simple adjustment, grouping up independent subordinate units or appointing an assistant who could take direct responsibility for half his too numerous brood, and both the man (they were often good men: merely ignorant) and the situation were saved.

And yet, only the other day, there was a young assistant professor from an American School of Business Administration arguing at great length in *Advanced Management* that the principle has no validity.⁷ He even quoted a soldier who had admitted that in peacetime, and especially in Washington, the Army often neglects the principle because of personal ambitions, status hunting, and similar sinister motives, to prove that the principle had no application to business.

What I am pleading for is a more open-minded approach to the whole problem of administration, a more thorough exchange of experience and knowledge, a determination to hang, draw, and quarter the ancient fallacy that "my business is different."

I am also arguing that there is a vast fund of experience on which we all can and should draw. I am pleading with the academic people not to get in the light of that process of cross-infiltration of knowledge by verbal campaigns aimed at proving that this or that "possible or probable anticipation" is not "scientific." I am arguing on the same lines as my old and deeply-mourned friend Mary Parker Follett when she explained why she had transferred

⁷ Waino W. Suojanen, "The Span of Control—Fact or Fable?," 20 *Advanced Management* 5 (November, 1955). See also, L. Urwick, "The Manager's Span of Control," 34 *Harvard Business Review* 39 (May-June, 1956), and "The Span of Control—Some Facts about the Fables," 21 *Advanced Management* 5 (November, 1956).

⁶ José Ortega y Gasset, *Mission of the University* (H. L. Nostrand, tr.), Princeton University Press, 1944, p. 84. Italics added.

her attention and her researches from the field of government to the field of business management.

... the principles of organization and administration which are discovered as best for business can be applied to government or international relations. Indeed, the solution of world problems must eventually be built up from all the little bits of experience wherever people are consciously trying to solve problems of relation. And this attempt is being made more consciously and deliberately in industry than anywhere else.⁸

The Clearinghouse Principle

TAKE another example of a principle which I have encountered practically both in business and in government. Let us call it the clearinghouse principle. "Communication" is currently somewhat of a "blessed word" in the study of management and of administration. We all know Chester Barnard's dictum that a chief executive is really the center of a system of communication.

If communication is important it is essential that the mechanics of the process should run smoothly and easily and quickly. On the other hand, we all believe in decentralization. And in any large complex of offices constituting the government of a country or the headquarters of a business, decentralization tends to run along functional lines. The heads of functional departments are often jealous of their authority and independence. They all manage their own communications with each other. The consequence is a sea anchor on routine communications. They take an inordinate time to pass from the desk of one official in one department to the desk of the addressee in another department. It follows that, since many communications are reasonably urgent, there is an excessive use of "special messengers."

I don't know how it is in Washington. It is so in Whitehall. There are more than 100 offices within two or three square miles each running its own post office to all the others. There is no clearinghouse. Any document which calls for an answer within, say, twenty-four hours tends to go by "special messenger." If the chief

executive is really the center of a process of communication, there is one quite routine responsibility which he cannot, with safety, delegate away from his central control, the actual routine of communication. It is quite secondary in importance, but critical to effectiveness. Of course, in Whitehall there is at the executive level no chief, only a vestigial anachronism, a committee which never meets, called The Lords of the Treasury.

The same clearinghouse principle indicates that, whether in business or in government, specialized advice and direction should never flow directly downward to lower echelons. If they do you are bound to get clashes about competence and authority between specialists and those with general responsibility at lower echelons. The specialist always expects the man with general responsibility to devote more time and attention to his "ewe lamb" than the "generalist" thinks either suitable or convenient. That's the way of specialists.

Specialized advice and direction should always move *upward* so that they can be incorporated in the "chain of command." I know the word "command" is not liked in this country. But the use of the term here merely implies a particular channel of communication. This has two advantages. It enables specialist requirements to be coordinated with the other demands on those responsible for lower echelons *before* instructions are issued. This saves much friction and subsequent recrimination. It also ensures that specialized communications are "authenticated" before reaching subordinates.

If this is done, however, it means that there is quite a large volume of "paper work" passing over the chief's desk. The number of specialists who have to be integrated in the overall plan tends to increase. The chief will have insufficient time to visit his subordinates. They will lose confidence in central direction and tend to kick at "paper" instructions.

The General Staff Relationship

THIS makes it virtually mandatory that in any large organization the chief should have an assistant or assistants in a "general staff" relation to himself. The *general* should be distinguished from the *special* staff relation. The special staff officer looks after and advises

⁸ Henry C. Metcalf and L. Urwick, eds., *Dynamic Administration* (Harper & Bros., 1941), p. 19, quoting from a paper, "Leadership," by Mary Parker Follett, read to the Rowntree Oxford Conference, 1928.

on his special function: the general staff assistant advises the chief and assists him with all his, the chief's, functions of direction. He is his *alter ego*. He should also relieve him of at least 90 per cent of his paper work. Paper work is really quite secondary at the level of the chief. His main function is personal leadership. If he is so desk bound with paper work that he has insufficient time for it, the organization will suffer.

The paper work, the records, are essential. Some men lie and all men die. The record becomes critical where these accidents occur. It is also essential in all large-scale organization because men change posts and forget. But it is only a record, an *aide memoire*. The big decisions get taken not on paper, but by individuals meeting face to face who trust each other. The paper is like the drains in a house: it carries off the waste matter of poor human relations. Far too many people in responsible positions try to live in their drains.

This general staff relationship is not very well understood in civil life. Many mistakes are being made in using it. It is a direction in which both business and the public services can learn from the experience of the combat services.⁹ All these questions flow from an acceptance of the clearinghouse principle. No chief can be an effective center of a system of communication unless he is equipped with the apparatus and the assistance which being such a center postulates.

The Need for a Chief Executive

IN DISCUSSING the clearinghouse principle I have, of course, made an assumption that is not generally accepted, though it is a part of the Constitution and of the general business practice of this country. That is that there must be in all organizations which aim to do something, rather than at deciding what is to be done, a chief executive.

This executive principle was clearly laid down by the President's Committee on Administrative Management in 1937:

⁹ For a fuller discussion of this question, see L. Urwick and Ernest Dale, *Profitably Using the General Staff Position in Business* (American Management Association, 1953), General Management Series No. 165.

¹⁰ President's Committee on Administrative Management, *Report* (U. S. Government Printing Office, 1937), p. 3.

... the foundations of effective management in public affairs, no less than in private, are well known. . . . Stated in simple terms these canons of efficiency require the establishment of a responsible and effective chief executive as the center of energy, direction, and administrative management. . . .¹⁰

It is F. W. Taylor's distinction between planning and performance carried to a higher level.

Fear of this principle is undoubtedly at the root of much of the confusion in the ordering of our affairs. It is felt to be undemocratic, arbitrary. The President's Committee on Administrative Management recognized this fear and gave the answer:

It may be said that there is danger that management itself will grow too great and forget where it came from or what it is for—in the old and recurring insolence of office. [But] a weak administration can neither advance nor retreat successfully—it can merely muddle. Those who waver at the sight of needed power are false friends of modern democracy. . . . (p. 53)

If this principle, this distinction, between the legislative, the policy-making, and the executive function is clearly admitted the pattern begins to fall into shape. Because management today is nine-tenths a technical, a scientific job. The dream in many men's minds that it can be submitted to mechanisms of control modeled on those devised for political purposes is "a moonbeam from the larger lunacy." Attempts to impose such mechanisms are as crazy as the requirement that the captain of a ship should call a meeting of the crew every time he wished to change course. Such a requirement would not only greatly increase the hazards of the crew: it ignores completely the rights of another party to the transaction—the passengers, the consumers.

To say this in no way absolves the captain from his responsibility so to discharge the duties of his office that his leadership is acceptable to the members of the crew. Indeed that is the first of those duties.

Will Rationality Prevail?

PROFESSOR DAHL posed the rhetorical question "On what kind of evidence are we compelled to assume that the rationality of organizational structure will prevail over the

irrationality of man?" We are not compelled to assume it. We can only hope that it will be so. For this hope we have two grounds:

1. Men when they engage in some common activity for a defined end prefer to "know where they are" and "what is expected of them." Rational organization tells them this. It does not leave the issue vague and at the mercy of those who are stronger or less scrupulous than their fellows. In other words, rational organization creates positions in which the necessary leadership can be developed and is expected. It is acceptable leadership which identifies the social sentiments and social living of those under authority with the purpose that authority was created to fulfill and the methods it adopts in doing so.

2. Men, where their lives are at stake, are usually fairly quick at grasping the realities of a situation. I have heard of ships' crews mutinying: I have yet to hear of a ship's crew electing a committee to do the steering. They know, being sailors, that safe steering isn't done that way.

In the same way we are assimilating, albeit all too slowly, the lesson that a civilization dependent on modern science and power-driven

machinery for its material necessities must observe the imperatives underlying the design and utilization of these facilities if it is to avoid total disruption. To be sure, our old folkways and superstitions die hard. But we do learn. I doubt if there is a citizen in this country today who would try to make a stalled automobile start again by kissing its radiator or kicking its differential. He knows that he can only make the thing go by understanding how it works, or by finding someone else who does and trusting him.

We may not learn this simple lesson in time. In the words of an American thinker of the first order, Thorstein Veblen:

History records more frequent and more spectacular instances of the triumph of imbecile institutions over life and culture than of peoples who have by the force of instinctive insight saved themselves alive out of a desperately precarious institutional situation, such, for instance, as now faces the peoples of Christendom.¹¹

It is not without significance that that somber passage was written two world wars away—in March, 1914.

¹¹ Thorstein Veblen, *The Instinct of Workmanship* (Macmillan Co., 1914), p. 25.

O and M Must Never Be Static

Some years ago in our own Ministry O and M won great renown by decentralising accounts work. The accounts staff were brought into close touch with the officers entering into the commitments, queries could be settled on the spot, travelling was cut down and a degree of mechanisation was introduced. Needless to say, staff were saved. Now that the Department is looking for further means of saving staff it is tempting to point out that this could be achieved by centralising the accounts work. By pooling, there will be greater flexibility, uniformity of practice will be ensured and, above all, staff again will be saved. . . .

Perhaps we have been too diffident in the past. We have tended to let years pass between each convulsion. Perhaps we should speed up the process and set the pendulum swinging faster. For at each swing of the pendulum we shall save staff until everyone is saved and the job does itself. . . .

—"The Swing of the Pendulum," 11 *O&M Bulletin* 41-42 (December, 1956).

Seven Letters: A Case in Public Management

Secured and Submitted by

EDWIN O. STENE

*Professor of Political Science
University of Kansas*

THE case that follows is in the management area, although it brings into sharp focus some broad theoretical problems of hierarchy and staff-line relationships and it touches on the problem of performance budgeting. It presents the "What do you do now?" type of problem; it also can be considered with a view to analyzing and explaining behavior in large-scale organizations. Again, it may be considered as an illustration of concepts of authority or bureaucracy, or as supporting ideas of how government should be administered.

The names used in the case are disguised, but the problem is a real one and the letters were actually written by city officials. The case, presented for discussion purposes, is not intended to represent either correct or incorrect administrative practices.

Cast of Characters:

Clyde Perham, city manager.

H. P. Robertson, director of the City Water Department, an officer appointed by and responsible to the city manager.

Mark B. Mason, chief engineer and superintendent of production in the City Water Department, appointed by the director of the Water Department under civil service regulations. Mason is a registered professional sanitary engineer who has held the post in the Water Department for many years.

R. J. Herrington, superintendent of purification, also appointed by the director of the Water Department under civil service regulations, but immediately responsible to the chief engineer. His office is at the pumping plant about two miles from City Hall.

Paul A. Harper, chief of the Office of Budget and Allotments, a staff agency of the manager. Harper, a man of about 30, has held

the position for less than two years and has been employed in the office for about four years.

Roger Graham, assistant in the Office of Budget and Allotments, under appointment by Paul Harper. Graham has been employed for less than a year. He is still under civil service probation, but has been recommended for final appointment.

All offices are in the City Hall except that of Mr. Herrington. The Office of Budget and Allotments is near the Manager's Office; the Water Department Offices are located in a different section of the building.

The exchange of letters will indicate the subject matter of telephone conversations between the two agencies. However, two items not disclosed by the letters have been reported by Roger Graham: (1) the Office of Budget and Allotments has noted that excesses of personnel costs over estimates in the past have been accounted for almost entirely by overtime work; and (2) Graham visited the purification plant after his first telephone conversation with Herrington, and is of the opinion that overtime work at the plant can be virtually eliminated if the additional personnel are employed.

First Letter, February 5

Date: February 5, 1953

To: Office of Budget and Allotments

From: Water Department

Re: Additional Personnel

Attention Mr. Paul A. Harper

Dear Sir:

I am writing for approval to employ additional personnel in the Purification Section of

the Water Department. The classifications and number of each that we are requesting are as follows:

- Water Plant Attendant—4 additional
Permanent
- General Laborer**—4 additional
From April 15 to November 1
- Water Laboratory Technician—1 additional
Permanent—either full time or part time,
dependent on the qualifications and availability of applicants

The explanation of our needs for these additional men is fairly well set out in Mr. R. S. Herrington's memo of February 2, which is attached to this memorandum. I, therefore, will not go into any further detail at this time but will be glad to furnish more information if you require it.

Yours very truly,

MARK B. MASON

Chief Engineer and Superintendent

Approved:

H. P. Robertson, Director

Memo Attached to Letter of February 5

Date: February 2, 1953

To: Mr. Mason

From: R. J. Herrington

Re: Increase in operating personnel

Dear Sir:

I would like to recommend that the present operating personnel in the Purification Section be increased to the extent that there are two chemical attendants on each shift at the Chemical Bldg.; there is a laborer on each shift in the filter room during the summer months, and that an additional laboratory technician be provided in the laboratory. This will require 4 additional chemical attendants, 4 laborers, and 1 laboratory technician.

Chemical Bldg.

At the present time the operating personnel at the Chemical Bldg. consists of one treat-

ment foreman and one chemical attendant on each shift, except in the case of the 7-3 shift where there is an extra chemical attendant part of the time, namely Sat. & Sun.

The water treatment foreman is now spending approximately 3/4 of his time in collecting samples, making analytical determinations, and in calculation of doses. This leaves insufficient time to look after the operation of basins, equipment, etc. When trouble develops either the samples do not get collected or the analyses are made in such haste that the results are inaccurate. At the present time more frequent analyses should be performed on the raw water. During periods of peak consumption or peak hardness more frequent analyses should be performed on the various phases thru the plant. With the expanding plant there will be more sample and check points.

The chemical attendant at present is occupied in tending chemical feed machines, checking on boilers and allied equipment, and the handling of bulk chemicals that are fed by hand. During periods of maximum operation, it is impossible to give the feed machines sufficient attention.

The operations at the Chemical Bldg. are fast becoming decentralized, such as carbon feeders, CO₂ production, and primary basins.

A second chemical attendant on each shift at the Chemical Bldg. will provide the additional manpower to cover the above situations for the present time. The time of the extra chemical attendant would be split about equal between the collection of samples along with basin operations and the application of chemicals.

Filter Plant.

The filter operator is now spending between 5 to 6 hours per day washing filters. It requires approximately 30 minutes to surface wash a filter and 15 minutes to back wash. Washing filters without surface washing over extended periods is not advisable as evidenced by condition and performance of filters at the end of such period.

As the filter plant approaches its maximum capacity, it will be necessary that the filter op-

erator devote his entire time to operation and manipulation of filters.

The addition of a laborer to each shift in the filter plant during the period May thru Oct. for surface washing filters will be necessary.

Laboratory.

The present laboratory personnel can no longer absorb any additional work. In recent years there have been increases in bacteriological examination and chemical analyses of the water in the distribution system. The testing of materials has been expanded. At present the laboratory is not doing anything but routine work. It is no longer possible to investigate all complaints and guide visitors thru the plant properly. Some additional control analyses are required on raw water.

The addition to the laboratory of a trained man such as a college student on a part time basis would adequately fill the present needs and at the same time afford us the opportunity to be in constant touch with the latest methods and developments in chemical and bacteriological analyses.

This man could work evenings, which would alleviate otherwise crowded working conditions.

Very truly yours,

R. J. HERRINGTON

RJH:mwp

The receipt of these letters by Paul Harper was followed by two telephone calls made by Roger Graham, to whom the Water Department Budget work had been assigned.

First Graham called Mark Mason to explain that the Budget Office needed more detailed information before it passed upon the requests. The nature of the information desired is described in later correspondence. At the close of the conversation Mason and Graham agreed that Graham should call Herrington, and also that he might visit Herrington at the plant to get a first-hand picture of the situation.

Graham then called Herrington and explained to him the nature of the information needed. Herrington agreed to prepare a more detailed memorandum, which he would route through Mason.

Second Letter, March 10

Date : March 10, 1953

To : Mr. Mason

From: R. J. Herrington

Re : Increase in operating personnel, filter plant

Dear Sir:

The addition of a laborer on each shift in the filter plant during the peak months was requested in order to provide sufficient manpower to properly surface wash, with fire hose, the filters. This operation requires approximately 30 minutes per filter. The filter operator will also be provided with sufficient time for making constant filter performance checks. In order to produce between 150-160 MG per day, all filters will have to operate at peak performance continuously.

During the summer 1952 the maximum filtered was about 135 MGD or the capacity of the primary settling basin flumes. At this time washing of filters occurred when the above rate was no longer able to be maintained.

In the coming summer if sufficient water is available for filtration of 150-160 MGD, an individual avg. filter rate of 6.3 MGD for 150 MGD and a rate of 7.0 MGD for 160 MGD will have to be maintained with all filters in service. With an avg. of 22 filters in service this rate will be 6.7 MGD for 150 MGD and 7.3 MGD for 160 MGD.

The length of filter runs is affected by pH of the applied water, turbidity or suspended matter in applied water, retention time available in the final basins, and the elevation of the final basins. Surface washing of filters also has a bearing upon the length of filter runs.

As all of the above mentioned items are apt to be critical at various times, it is difficult to estimate the number of washings that will be required for filtration of 150-160 MGD.

With final basin elevation of 33.0' or less, filters will have to be washed at 3.0-4.0 head loss. With a minimum final elevation maintained at 35.0' the head loss could be extended to 5.0 to 6.0' prior to washing.

Caustic water applied to filters tends to increase head losses very rapidly causing vapor locking of filters.

The amount of turbidity or suspended mat-

ter applied to the filters depends very largely upon the retention time available in final basins. At these high rates the bulk of the suspended matter, either carried over from Secondaries or that formed as a result of chemical reactions, must be filtered out.

In view of the above facts it is estimated that each filter will have to be washed every 24 hours for 150 MGD rate and between 15-20 hours for 160 MGD rate.

Very truly yours,

R. J. HERRINGTON

RJH:mwp

Two telephone calls occurred between the second and third letters. Subject matter of the conversation again is indicated in the letters that follow.

The first call was made by Graham to Herrington, at which time Graham explained that the information set forth in the second letter was incomplete and enumerated the items of further information desired. Graham understood that Herrington agreed to prepare another memo, which would again be routed by way of Mason. (See item 5 in fifth letter).

The second interoffice telephone call was made by Mason to Harper. The purpose of the call is indicated in the third letter and in the seventh letter (item 6.)

Third Letter, March 19

Date : March 19, 1953
To : Mark B. Mason, Chief Engineer
and Supt., Water Department
From: Office of Budget and Allotments
Re : Additional Personnel

On February 5, 1953, your request for additional personnel in the Purification Section came to this office. The staff member from this office in a conversation with you informed you he desired further information in order to evaluate the request and believed he had secured your verbal permission to contact the Superintendent of Purification for this desired information. He proceeded to contact the Superintendent of Purification and talked with him regarding the request. He asked that certain details be incorporated in a memo, sent to you for approval, and then forwarded to him. A memo, handled in that manner, was received in this office March 10, 1953. As it did

not contain all of the information requested, another phone call was made to the Superintendent of Purification asking him if he would supply the information and forward through the same channels.

If you desire that all requests for information be sent to you in writing and permission to contact your subordinates on similar matters also be requested and approved in writing, we shall be glad to do so.

Therefore, in response to your telephone call of today, we request that the following information be forwarded to this office:

- (1) A description of the job duties that will be performed by the additional Water Plant Attendant on each shift.
- (2) Will this reduce overtime for this operation?
- (3) Will there be a continuing need for General Laborers to work on these shifts?
- (4) How many samples of water are taken on each shift and at what points and/or additional points will they be taken per shift?
- (5) Data on the number of chemical analyses being made at present, in the immediate future, and time needed to make these tests.
- (6) In general any other information that will in any way support your request for additional personnel requested.

Perhaps we may explain our position by pointing out that, based upon present minimum salaries, the yearly cost of this additional personnel would be \$30,940 or over a 10 year period \$309,400. Such an addition to fixed operating expense should receive careful consideration. I know you will agree with this.

P. A. Harper
Director

gml

cc: H. P. Robertson, Director of Water

Fourth Letter, March 25

Date : March 25, 1953
To : Office of Budget and Allotments
From: Water Department
Re : Additional Operating Personnel—
Purification Division

Attention Mr. P. A. Harper, Director

Dear Paul:

I am starting this letter with some hesita-

tion. I have a high regard for you and several of the members of your staff with whom I am acquainted. Therefore, I am embarrassed by making what seems to be a personal attack on you and the members of your staff when my real target is the sort of bureaucratic system that puts you and your staff in a position of authority (without responsibility) that in my opinion you are not qualified by experience, training and numbers to carry out.

When I phoned the other day to ask that you put your request for information into written form I stated that I did not believe that your people knew what they were doing in the case of our request for additional operating personnel in the Purification Section. The letter, dated March 19, that you sent me confirms my opinion.

Your first question asking for "a description of the job duties that will be performed by the additional Water Plant Attendant on each shift" indicates that all of the time spent on this subject to date by both your staff and mine has been completely wasted.

Let me list some of the things that have happened that should have produced the answer to the above as well as all the other information that you request in your March 19 letter.

(1) On February 5 I wrote a short memo to you transmitting a two page typewritten letter from our Superintendent of Purification stating what additional personnel he needed and why. He wrote exactly 24 typewritten lines about the Water Plant Attendant position and indicated fairly well what the duties would be.

(2) A few days later your Mr. Graham phoned to say that he wanted to visit the plant in regard to our request for additional personnel. We then continued to talk at some length about the *need* and *duties* of the additional men. We talked about these matters to such an extent that I thought Mr. Graham had obtained all the information he wanted and was not going to visit the plant after all.

(3) Following this, two phone calls were made by Mr. Graham to the Superintendent of Purification. Each one was fairly long, 10 minutes or so, and both were concerned about the additional operating personnel.

The first phone call resulted in another full page memo from the Superintendent of Purification and the second phone call was for the purpose of requesting still another memo. It was at this point that I protested. It seems to me that by this time you

should know what we are going to do with the extra men.

Your second question "Will this reduce overtime for this operation?" seems to be superfluous. It is obvious that any overtime caused by a shortage of personnel would be reduced by the addition of more personnel.

Your third question "Will there be a continuing need for General Laborers to work on these shifts?" is in about the same category as the question on overtime. If the occasion arises, as it has in the past and as it undoubtedly will in the future, where more personnel are required than are available in the operating force, then General Laborers will be used as necessary.

Your next questions imply that you have a working knowledge of our operating procedures that is belied by your first question. If I thought you could make use of the answers to these questions I would obtain the information for you. I do not believe that you are well enough acquainted with the problems and procedures of operating a Purification Plant to warrant my bothering the Superintendent of Purification with a request for data on these items.

In regard to your closing paragraph wherein you point out that the additional cost to fixed operating expense should receive careful consideration, I want to say that I heartily agree with you. In fact, I believe that I have considered the cost even more carefully than you have. According to my figures the yearly cost based upon present minimum salaries for the additional operating personnel would be only \$19,040 instead of the \$30,940 quoted in your March 19 memo.

A letter of this type is not complete if it does not contain recommendations for correcting the complaint. For that reason I suggest that the following steps be taken.

If the system as it now exists is to continue I suggest that you obtain an adequate number of qualified people to work with our department and who will have the time and ability to study and understand our needs and to take effective action when it is necessary. Our experiences with your Department have left us with a feeling of harassed frustration. We are hesitant about attempting to obtain needed

personnel because we know from past experience that in most cases we will spend weeks and months—sort of like dangling from the end of a string before getting an answer. There have of course been some exceptions. This would not be too impossible a situation if the matter would end in your department. After you have finally made a decision, we quite often have to go through the same song and dance with the Personnel Department. There should not be so many obstacles put in our path. You should give us better and more understanding service than you have in the past.

If you cannot operate as described above then I suggest that you concern yourself only with the budget side of the problem. If the budget appears to be strained by the additional personnel you should notify us accordingly and we would decide then either to give up some other budgeted item or to give up the additional personnel.

You could supplement this type of activity by making periodic surveys of our operations to see if we were overstaffed or not and if we were making effective use of our personnel.

I like this latter suggestion much better than the first because I can see where you could produce a real service much easier than you could under the first suggestion.

I stated at the beginning that I hesitated to write this letter. It is embarrassing to me to have to do so. It will probably cause a commotion. I heard a sermon last Sunday that was entitled "Use a Little Honey." The moral was that you can catch more flies with honey than you can with vinegar. I wish that I was clever enough to have been able to coat this letter with a generous layer of honey because I have no desire to start a fight or to harm anyone or to embarrass anyone. But I do want to get a condition straightened out that I do not believe is fair, or proper or necessary.

Maybe this letter will accomplish that purpose.

Yours very truly,

MARK B. MASON

Chief Engineer and Superintendent

MBM-t

cc: City Manager Perham
Mr. Robertson

Fifth Letter, April 13

Date : April 13, 1953

To : Mark B. Mason

From: Office of Budget and Allotments

Re : Additional Personnel—Purification
Section

I sincerely hope that you will not hesitate, in the future, to notify me if you are dissatisfied in any way with the services of this department. It is my intent and I believe also that of the City Manager, that this department be primarily a service department assisting line departments to operate as expeditiously as possible within the overall framework of municipal government. Not being perfect, we sometimes fail in this endeavor.

To a certain extent you are correct when you state that we are unqualified by experience, training, etc., to judge your requests. Therefore, it is necessary that we ask questions. We try not to judge any request on a technical basis, rather we attempt to get the technically qualified person to explain the problem to us so that we understand and can make a cogent recommendation to the Manager. If a satisfactory and understandable explanation is not presented, we feel this to be an indication that the request is not too well thought out and needs further work.

As to your suggestions for improving the situation, I agree heartily with you that little would be accomplished by our maintaining a balance sheet and at certain dollar signs saying stop. That is most unrealistic and is of little or no help to a department. Insofar as possible we try to actually survey field conditions when investigating a request, but during the past two months the preparation of the Annual Budget has made this mostly impossible.

As to the specific items in your memo of March 25, 1953:

(1) On February 8, your memo and the attached memo from the Superintendent of Purification was received in this office.

(2) Later a member of this office phoned you. He talked with you about the request, a visit to the plant, and of making contact with the Superintendent of Purification.

(3) Subsequently, a phone call was made to the Superintendent of Purification and the request was discussed with him. The Superintendent was asked

that certain details be incorporated in a memo, sent to you for approval, and then forwarded to this office.

(4) A memo, handled in this manner, was received in this office March 10, but it contained only part of the information requested. Thus, the call for another memo.

(5) A second phone call was made to the Superintendent of Purification, asking him to supply the work-load data and to forward it through the established channels. During the conversation it was mentioned that the cost of the additional personnel would be partially offset by savings in overtime and use of present personnel. It was requested that an estimate of these possible savings be included in the memo.

(6) As to the questions included in our memo of March 19th:

(a) *A description of the job duties that will be performed by the additional Water Plant Attendant on each shift?*

We understood that the additional person on each shift would perform a combination of jobs now partly performed by the present Water Plant Attendant and partly by the Water Treatment Foreman. It was felt that possibly the combining of job duties would bear upon a question of proper job classification.

(b) *Will this reduce overtime for this operation?*
We were seeking confirmation of the telephone conversation with the Superintendent of Purification. I am in no position to assume anything. I must know.

(c) *Will there be a continuing need for General Laborers to work on these shifts?*

Again, seeking confirmation of the telephone conversation. This would directly affect the request for additional people for this position. There have been occasions when part-time help have been kept longer than authorized.

(d) *How many samples of water are taken on each shift and at what points and/or additional points will they be taken per shift?*

This information would supply us with a basis for evaluating the need for extra personnel and how much.

(e) *Data on the number of chemical analyses being made at present, in the immediate future, and time needed to make these tests?*

This is again needed for an evaluation of needs. There was no detail of this nature included with original budget requests.

(f) *In general any other information that will in any way support your request for additional personnel?*

We were trying to obtain any other information that would aid us in evaluating your request.

(g) Lastly, and to my great chagrin, I find that you are correct when you state that the cost of your request will be \$19,040 instead of \$30,940. This certainly is the one area where I should be right, but wrong I am. Next time I will not use that slide rule!

I personally do not like honey. I much prefer the straightforwardness you have exhibited. Both you and I will make mistakes, but neither of us has anything to be ashamed of or to conceal. Therefore, I re-emphasize my desire that you communicate directly to me any impression of delay or impropriety you may have in the future.

In conclusion, I should appreciate it if you would send me the information requested in my memorandum of March 19, 1953 in order that this matter may be closed out at the earliest possible date.

P. A. Harper

Director

gml

cc: Clyde Perham, City Manager

H. P. Robertson, Director of Water

Sixth Letter, April 15

Date: April 15, 1953

To: Office of Budget and Allotments

From: Water Department

Subject: Additional Operating Personnel—
Purification Division

Attention Mr. P. A. Harper, Director

Dear Paul:

Your letter of April 13 brings to mind a dog I once knew named Rover. Rover's owner would hold out a biscuit to the dog and say, "Roll over, Rover!"

Rover would roll over, but his owner, still holding out the biscuit would then say, "Now bark, Rover."

Rover, eyeing the biscuit expectantly, would say, "Bow Wow!"

The owner would then say, "Bark again, Rover." And Rover would again say, "Bow Wow!"

This went on for some time until one day when Rover, after having said "Bow Wow" several times, laid down on the ground and would never roll over or say Bow Wow again.

Unlike Rover, I will undoubtedly have to

roll over and say Bow Wow many times in the future. However, I have only a couple of Bow Wows left for the case of the additional operating personnel at the Purification plant.

In regard to the first five questions of your March 19 memo, I have nothing to add to what has already been said.

In regard to your sixth question, I should tell you that if we cannot fill the additional positions the following will certainly occur.

(1) It will be impossible to produce the quantity of water that our plant will otherwise be able to produce by this June. An amount that we hope will be at least as great as the demand.

(2) It will be impossible to control the quality of the water at the high demand rates expected this summer and most of the time thereafter. Loss of control of quality may or may not be detrimental to the public health.

(3) Loss of control of quality will be accompanied by a loss of control of chemical costs. This is very vital when you consider that the cost of chemicals alone for this current fiscal year has averaged about \$1,700 per day.

Yours very truly,

MARK B. MASON

Chief Engineer and Superintendent

MBM-t

cc: Mr. Perham

Mr. Robertson

Seventh Letter, April 28

Date : April 28, 1953

To : H. P. Robertson, Director of Water

From: Office of Budget and Allotment

Re : Additional Operating Personnel—
Purification Division

You undoubtedly have copies of the communications sent to me by Mr. Mason, dated March 25 and April 15, in response to my memos to him, dated March 19 and April 13.

A brief restatement of the development of this situation follows:

(1) On February 8, Mr. Mason's memo and that attached memo from the Superintendent of Purification were received in this office.

(2) Later a member of this office phoned Mr. Mason. He talked with him about the request, a visit to the plant, and of making a contact with the Superintendent of Purification.

(3) Subsequently, a phone call was made to the

Superintendent of Purification and the request was discussed with him. The Superintendent was asked to incorporate certain details in a memo, send the memo to Mr. Mason for his approval, and have it forwarded to this office.

(4) A memo, handled in this manner, was received in this office March 10, but it contained only part of the information requested. Thus the call for another memo.

(5) A second phone call was made to the Superintendent of Purification, asking him to supply the work-load data and to forward it through the established channels.

(6) On March 19, Mr. Mason contacted me by phone and expressed his desire that all requests for information be sent to him in writing and that requests for permission to contact his subordinates on similar matters be submitted to him for his written approval.

(7) My memo to Mr. Mason (March 19) was sent in response to his telephone request.

A copy of this and my subsequent memo were sent to you.

It would appear that Mr. Mason will not or cannot furnish this office with the information that we feel is essential if we are to properly evaluate his request and make recommendation to the Manager. If, as Mr. Mason states, the lack of personnel requested will deprive the City of water it could otherwise have, the request should be approved. But if this is true, there must be reasons and this is what we are trying to determine.

I would appreciate it if you would send me the information requested in my memorandum of March 19, 1953, to Mr. Mason, or any other information that you believe pertinent to the request for additional personnel.

I have no desire to engage in a running fight with any individual or department. This department has a certain job to do in the overall administration of the City's activities. Sometimes differences of opinion result. This is inevitable. Usually through mutual cooperation these differences can be resolved in a satisfactory manner. If you have any suggestions as to how this spirit of cooperation can be enhanced, I will be only too glad to discuss it with you at your convenience.

P. A. Harper

Director

gab

cc: Clyde Perham, City Manager

Strengthening the Federal Career Executive

By RICHARD M. PAGET

Senior Partner, Cresap, McCormick, and Paget

I AM glad to be with the Public Personnel Association this noon. Many of you in this room are friends of mine and I know of your deep interest in our subject today. Also, this is an appropriate forum before which to say a few things I have long had on my heart about the federal career executive.

I have known many administrators at all levels in the federal service. Three of my present partners and at least seven of our good associates received their basic training in the career service of the federal government.

I think it is high time we recognize that there is nothing peculiar about the man or woman who decides he will make his life's work the service of the executive branch of his government in a civil capacity. I am glad to observe less evidence of disrespect for the federal service, as reflected in the declining popularity of Washington jokes, the blow that Charlie Stauffacher and others like him have struck at the belief that government experience is not good preparation for the hurly-burly of competitive business life, and some tempering of the condescending attitude with which businessmen new to the world of public affairs normally start a period of service in an appointive post or on a special commission.

But still with us is the mental attitude of an occasional government executive seeking private employment. Some would say he had an inferiority complex. Over what? Over having an important role in directing the largest enterprise in the world? Over association with a body of management doctrine and technique that has pioneered many of the industrial advances in organization analysis, personnel administration, methods and procedures analysis, and work simplification techniques?

It is my observation the career administrative executive in the federal government is a very normal human being who requires the usual amount of sympathy, goading, incentive, growth opportunity, and job satisfaction if he is to do his best work.

The Problem

THE problem of strengthening the effectiveness of the career executive in the government is complicated by the fact that the solutions inevitably must deal with only a very small segment of the career service. Federal personnel administration is heavily burdened with the mechanics and requirements for mass selection, bumping procedures, classification, job security, supervisory and skill training, and veterans' preference. These and similar details frequently are more immediate—or at least more spectacular—in their impact and obscure the fact that the career service is a composite of hourly workers, clerks, technicians, supervisors, highly specialized service and professional people—and a relatively small sprinkling of administrative executives.

Each group has its own problems and, realistically, very few in the career service really understand or are particularly interested in the career executive or his efforts toward managerial improvement. When we consider that a top-level career service probably would include less than 0.2 per cent of the employees of the federal government, I think we can realize the cause will not be advanced materially by any spontaneous ground swell from within the ranks of federal workers.

This is said not to sound a note of discouragement but rather to emphasize that the old adage that the Lord helps those who help themselves applies with real force to the situation we are discussing this noon.

NOTE: This article was an address to the Washington, D. C., chapter of the Public Personnel Association, March 12, 1957.

In thinking about my subject today I have found myself wondering what in the world I could contribute. I accepted this invitation to be with you rather airily since I was sure that with such a broad subject I could find something fresh and new to tell you. Having had ample previous exposure to intellectual combat with many of you, I should have known better!

For a month I have been catching up on the literature in the field as it has appeared in the past seven years. I have read more good material on executive selection, training, development, compensation, and promotion than I knew existed! I doubt if there are any problems involving the career governmental executive that have not been discussed objectively, subjectively, and at length!

I am satisfied there is good documentation of most aspects of the problems to be faced in improving the key management group in the government. Also, a number of ingenious, and some highly controversial, solutions have been proposed.

This manifestation of deep concern is all the more remarkable when one considers that the compelling need to develop a high level of administrative competence in the career executive service is relatively a recent one. It has developed in our adult lifetime with the growth of big government since the mid-1930's. Accelerated by the war, the need has reached serious proportions in the past ten or twelve years.

In reviewing the literature, there is a remarkable consistency in stating the areas in which effort must be applied to bring about a lasting strengthening of the effectiveness of the career executive in the federal service. At the risk of oversimplification, I would conclude that most people agree that attention should be focused on six areas:

1. Selection processes must be improved.

There is still a serious dearth of identifiable executive material resulting from present selection processes. Mass techniques of selection leave this important input factor almost entirely to chance. The primary emphasis of most employment programs is to secure people with skill or training in almost every field but management.

Procedurally, it is still difficult to appoint competent people to executive jobs. Reduction in force procedures, veterans' preference requirements, complex processes for dealing with unsatisfactory incumbents, and regulations requiring appointments in order of rank all add to inflexibility in selecting people for executive jobs. Some of the necessary safeguards for a system of civil service become problems in dealing with top administrative positions.

Active, positive recruiting programs are needed in more federal departments and agencies. The U. S. Civil Service Commission has done a better job in executive recruiting in recent years and has encouraged agencies to take the initiative. Recent trends toward greater restrictions on agency action have resulted in large part from the fact that many agencies have not taken advantage of their recruiting authority.

No device exists for the selection of top-ranking administrative personnel. The senior civil service board proposed by the task force of the Second Hoover Commission is one effort to fill this need. Considerable attention is needed in developing the organization and methods for executive selection within the federal framework.

The literature is voluminous with programs for internship, junior administrative trainees, and the like to improve the quality of the input at lower levels.

2. Compensation scales must be kept realistic and competitive.

Progress in compensation has been made here in the past few years. This is evidenced by the Classification Act of 1949, the creation of the super-grades, other pay increases in the upper ranks, the improvement of retirement benefits in October, 1956, and the creation of the group life insurance program. Realistically, tenure, retirement benefits, and job satisfaction will always be large factors in federal compensation.

3. Executive training and development must be stimulated.

Ray Randall and his colleagues at the Civil Service Commission have done a good job of stimulating thinking about training and de-

velopment and of providing a measure of leadership for a federal program. The American Management Association training program for federal executives is heartening recognition of the need to demonstrate that government management and business management have much in common. I understand there is real hope that legislation may be secured to permit broader postgraduate training of federal executives in the universities and colleges.

All of these are welcome indications of a changing attitude toward the need to prepare career employees for management responsibilities. However, the programs in existence are recognized as entirely inadequate to cope with the problem and much remains to be done.

4. Opportunities for broader experience must be provided federal administrators.

There is still a strong tendency for individuals to carve out careers within the boundaries of a single department or agency. The large departments present wide and varied opportunities for broad experience, but in the smaller or highly specialized agencies this adherence to a single organization can develop rather narrow and limited administrators.

The average business executive has been with three or four companies before he gets top administrative responsibilities. Even within large organizations, there is a definite program of moving personnel around in a manner calculated to broaden their experience and develop their functional knowledge.

A year or two of service in agencies such as the Civil Service Commission or the Bureau of the Budget would be good background for anyone expecting to handle top management responsibilities in the federal government.

5. Career opportunities to carry top level responsibilities must not be limited arbitrarily by an effort to keep the civil servant out of politics.

I disagree with the Second Hoover Commission task force on an arbitrary separation between political executives and career administrators. Actually, large numbers of bureau chiefs cannot avoid making policy or carrying political responsibility. The real trick is to be able to work conscientiously to promote the political policies of the party in power, both

parties being presumed to operate in the public interest.

Most career executives are better politicians—in the best sense of the word—than are their political supervisors. The present administration talked a good deal about a Washington housecleaning in the early months of the first term. While political appointees were changed, and properly, few significant changes were made in the career service. This is not a failure on the part of the administration but rather is evidence that a large number of permanent professionals must be in important posts if our government is to function.

6. Pride in the federal service and concomitant recognition of status must be developed as a foundation for a program to strengthen career top management in our government.

This is the area where the least has been done either to measure the existing level of morale or to develop very meaningful programs to achieve pride in the service and recognition for its members.

The armed forces of the world have long recognized the desirable results of distributing medals. The British include outstanding civil servants on the Honors List. Even our colleges and universities use the honorary degree to call attention to individual accomplishment. The Rockefeller awards and the Jump award are sound moves in the right direction. Since 1950, there has been increased interest and action in the superior and meritorious awards program.

But to be proud of an executive career service we must be able to do three things: (1) to identify it; (2) to define its standards and control its requirements; and (3) to disseminate a knowledge of its existence and purposes both inside and outside the federal government.

A Suggested Program

DURING the balance of my time with you today I would like to outline a program for accomplishing these three tasks, which are essential if we are to make possible a feeling of pride in being a federal executive. For unless this pride is accomplished, we never can expect a consistently strong body of career administrators in our government.

The program I propose for your consideration has four parts:

1. Secure clear, unequivocal support for a top management career service from within the federal government.

Every commission since 1880 has taken an increasingly strong stand on the need for a competent corps of well-qualified federal executives who will stay in the government service.

Just as the need for continuity in carrying out the complex tasks of government was an important factor in bringing about the civil service reforms of the early 1880's, so the growing specialization of governmental functions requires a steadily increasing number of executives with general administrative abilities to continue the orderly processes of government.

Unfortunately, it is a fact that while much is being said and written about a senior service, very little actually is being done. The situation was well described by Professor Myles L. Mace of Harvard University:

There are few who would not accept in general the reasons for doing something affirmative about the development of personnel. . . . The same executives who agree in general on the need for development frequently postpone doing anything about it in the face of what seem to be more urgent operating problems.¹

This support is needed first in the form of a clear policy statement from the President, supported by the Cabinet, setting forth the need for a strong top management career group in the federal service. Logically, this statement should be proposed by the Civil Service Commission. This action is especially important because the attitude of the political executives toward a responsible career service has been clouded by actions such as the establishment of Schedule C and the controversial White House order calling for political clearance of appointments to positions over Grade 14.

Support is next needed from the individuals most likely to be affected by the recognition of a senior service. There should be created a responsible voluntary organization of federal executives to give support to this program. Proper and appropriate opportunities and

methods can be developed to use the influence of this body.

Finally, much support can be forthcoming from groups such as this Association and from organizations of business men such as the American Management Association.

2. Define the administrative career service.

The size and nature of the problem are not yet clear. The flip-flops back and forth between the excepted and nonexcepted services indicate the lack of clear thinking in this area. A further example of the lack of clarity in the definition of the career service is the recent White House request that each agency redefine the line between political and career management jobs.

Nobody has yet been able to state the size of the group with any clarity. The Second Hoover Commission identified about 1,500 positions as bearing significant management responsibilities. Elsewhere it estimated that about 750 of these positions are held by "political executives." The resultant total of 750 career administrative positions sounds low to me.

In its recommendations for a senior civil service, the Hoover Commission task force suggested that 1,500 positions be encompassed in the service and foresaw a group that would include 3,000 persons.

The Hoover Commission task force laid down some sound general principles for some type of senior civil service, but the concept needs to be made much more definite before too much happens.

I propose the appointment of a temporary special commission on the senior civil service for the sole purpose of establishing the dimensions of a special administrative service to include career top management positions. Such a commission should be headed by a recognized expert in management from outside the government and should include key representation from the Civil Service Commission, the White House Staff, the Bureau of the Budget, and nonpartisan groups such as your own Association. In each department, agency, or commission, the senior career executive should sit as a member of the special commission as it considers the positions within that organization.

¹ *The Growth and Development of Executives* (Harvard Business School, 1950), p. 6.

I would hazard a guess that a detailed analysis of the composition of a senior service would end up by including some of the positions that have been defined as "political" during recent years and by extending the concept down in the career ranks to include a healthy leavening of younger administrators, perhaps on some probationary or training status.

3. Develop the policies, regulations, and procedures necessary to establish and administer a recognized senior career service.

Various efforts have been made to state how individuals should be selected, assigned, promoted, trained, and recognized in a senior career service. The British experience in particular has been dissected in every possible fashion. None of the efforts with which I am familiar has produced widely acceptable solutions to these vexing problems.

What is needed now is the sober study and development of the policies and procedures to establish and administer a senior service. These policies and procedures can be developed if there is prior recognition of the need for such a service and prior definition of the levels it should include.

If the proposed special commission to define an administrative career service makes any effort to point out *how* such a service can be established and administered, it will be torpedoed rapidly by political factors and by many with entirely understandable self interests who will be affected.

I do not presume to know how best to accomplish this third step. If established personnel agencies were used they would be immediately under great pressures—and perhaps this task calls for greater perspective than reasonably can be expected from an existing government agency. Also, I am quite sure that people from outside the government service lack the requisite knowledge of and experience with federal practices and procedures. Perhaps the job can be done best by an appointed group of carefully selected, experienced top-level career executives from the federal service—men who it is generally accepted will be part of the nucleus of a senior career service and who can anticipate the difficulties from their own experience.

4. Finally, there must be public recognition and support for a senior career service.

The road to public, and therefore congressional, acceptance of a senior career service for federal administrative executives will be a rocky one and full of difficulties. It is an easy concept to attack. The creation of a "special class" in itself gives ammunition that is easy to use and has always been most effective. Observe the history of the foreign service officer in the State Department for confirmation that the establishment of a special group in our civilian society is not easy.

Many suggestions have been made that public support be sought by using government channels to give publicity to the problems of managing the federal establishment. The First Hoover Commission task force proposed a bureau of information in the Civil Service Commission partially for the purpose of doing such a job of public education to the need for a real federal career service.

In my judgment, public education and support for a senior career service can be secured only through an outright effort to publicize the problems, the proposed solutions, and the inevitable benefits of establishing a senior career service. Thereafter, continuing public education will be essential to preserve the integrity of the original concepts.

Such a program should not be undertaken by a federal agency nor should it be financed from federal funds. Rather, it is the kind of fundamental cause leading to the improvement of our society that should find its major support from private resources. New or existing foundations and individuals who have experienced the need or benefits of competent career executive support might be approached.

I know of only one existing organization that attempts to represent all managerial aspects of public administration and that might undertake the task of developing the necessary public support for a senior career service. The American Society for Public Administration has great professional prestige. Whether it has the ability to raise the funds and capture the widespread interest and support that such a program needs, I cannot say.

If the Society could see its way clear to accept this responsibility, the hard work and the

many disappointments inevitable in a new organization might be overcome. A recognized association of high standing could more easily serve as a focal point of attraction for the business and professional leaders who must be joined with top government administrators in this task if this high-level career service is to be established. Also, the fund-raising job would be simplified through the sponsorship of an established organization.

The program of public education will proceed slowly and will have to be done skillfully. But it must be accomplished if this long-range and very fundamental improvement is to become and remain a reality.

Conclusion

Now why should we all be interested in strengthening the effectiveness of the federal career executive?

I think it is important basically because the whole structure of our democracy rests on the

foundation of an intelligently organized and administered bureaucracy. Our government process requires competent political leadership, supported by an adequate number of capable career administrators at levels high enough to indoctrinate political appointees, administer programs, and preserve our governmental machinery during all kinds of stresses.

In his famous essay published as No. XIII of *The Federalist* papers, Alexander Hamilton said: "Civil power, properly organized and exerted, is capable of diffusing its force to a very great extent; and can, in a manner, reproduce itself in every part of a great empire by a judicious arrangement of subordinate institutions."

The proper organization and exertion of civil power now, as in 1788, are dependent upon the high caliber and the abilities of the leaders among our civil servants. This to me is sufficient reason to fight for a cadre of strong, well-qualified federal career executives.

Keeping a Reorganized Government Reorganized

First of all it must be recognized that keeping the executive house in order is basically and fundamentally an executive responsibility. The chief executive, responsible at least in theory for the operation of the executive establishment, is in a better position to know where the weak spots are in the organization, and what remedial action is needed, than members of the legislative branch are, or under normal conditions can be expected to be. Executive departments and agencies, furthermore, have a strong tendency to develop active legislative supporters, while at the same time interested pressure groups tend to make reasoned legislative consideration of problems of executive organization difficult, if not—in many cases—impossible.

In the second place, it must be recognized by legislators and public alike that the task of keeping the administrative house in order is or should be a continuing activity. It is a task that cannot be performed satisfactorily on a sporadic or periodic basis, with a much publicized survey, a blast of publicity on "efficiency" and "economy," and the passage of a single legislative enactment or group of enactments. New legislation, plus constant changes in the nature and scope of the administrative program, brought about by economic and social changes, call for frequent modification of existing administrative arrangements.

—W. Brooke Graves, "Some New Approaches to State Administrative Reorganization," 9 *Western Political Quarterly* 753 (September, 1956).

The Milieu Theory of Control

By GEORGE H. AXINN

*Assistant to the Director
Cooperative Extension Service
Michigan State University*

CAN a member of the field staff of a large public organization be held accountable to more than one superior? Or does the old axiom that no member of an organization should be responsible administratively to more than one supervisor still hold?

When an organization chooses the areal, geographic, or hierarchal form of decentralization, conflicts inevitably arise between specialists who represent various specific parts of the program and generalists in the "line of command." The specialists do not control members of the field staff through functional organization and must seek other ways to make their influence felt. Several students of the problem have suggested "dual supervision"—giving authority to both line generalists and staff specialists—as the solution. Their reasoning and recommendations will be discussed below.

The purpose of this paper is to suggest that dual supervision is not the answer—that it leads to disintegration of the organization in which it is practiced. Recognition of the milieu theory of control, long observed by social scientists, is suggested as a helpful way of looking at the still effective goal of "unity of command."

The first portion of this paper describes the case of the Cooperative Extension Service of Michigan State University, an organization that went through a period of fairly diffuse supervision and then returned to more traditional unitary line supervision. This description is followed with a discussion, from the literature, of the rationale behind dual supervision. The paper concludes with an analysis of the Michigan experience, in terms of interaction, authority, influence, and control; it then postulates the milieu theory of control.

The Michigan Experience

THE Cooperative Extension Service is a widely dispersed organization in which federal, state, and county governments cooperate in carrying out an informal adult education program. The basic organizational pattern of the case in point, the Michigan Cooperative Extension Service, is similar to that of like services in other states. A small professional staff of generalists in each county is supported by a comparatively large group of specialists at the state headquarters, with an additional coordinating group operating on the federal level as a part of the United States Department of Agriculture.

In its early years, there was only one official line of authority in the Michigan Service. It ran from the director to the county agent leader (supervisor) to the county agent (local generalist). However, since funds for the local program came from the county, as well as from state-federal sources, some degree of control was exercised by the county board of supervisors.

This situation was considered healthy, since it was assumed that "no one could judge the work of the agent better than the local people he served." Thus the county board controlled, in part, the salaries of the county agents, and enjoyed the influence over both program and personnel that accompanies salary administration. Great discrepancies developed, however, from one county to the next as county budgets and services varied. Inequities in salaries resulted.

Dual Supervision Established

In 1936, after 22 years under the former system, the central state administration decided

to pay all agents' salaries from state and federal funds. The state office reasoned that this move would "equalize salaries, aid morale of agents, and place personnel management on a firmer footing." County governments continued to support the program by providing office space, secretarial help, supplies, equipment, and travel funds.

No longer able to rely on the judgment of local people for the evaluation of county personnel, the central administration established a salary schedule and a system for rating the performance of agents. In its simple beginning, the system depended largely on the observations of supervisors and the quality of monthly and annual reports by the county agents.

But the evaluation of from twenty to forty persons, scattered in from ten to twenty county seats, is much more difficult than that of the same number of persons in one location, as normally faced by supervisors. The pressure of the sheer number of needed judgments weighed heavily on the administration, and the system was soon amended in an effort to "secure greater objectivity."

Subscribing in principle to the theory of dual supervision, the director asked the specialist group operating from the state headquarters to join with the supervisory staff in completing performance rating forms for each of the county agents. Thus the specialists were called upon to serve not only as trainers and advisers to the generalists (their original role), but also as evaluators.

Each specialist operating from state headquarters was asked to give his opinion on the status of his projects in each county. In addition to giving his judgment as to how well his projects were being carried out, the specialist was to indicate the importance of his project for each county. These factors were then to be weighed, and used in conjunction with the supervisor's opinion in assigning a rating to each county agent.

Thus the influence of the client, in this case the county board of supervisors, was replaced by that of the specialist within the organization in determining salary administration.

In order to give the local people of each county some voice in the program of the local agents, county advisory boards were devel-

oped. Each agent had a committee of people who lived in his county. This committee was supposed to insure that his activities served their needs and that the county agent staff would help local people identify and solve their problems. These committees were purely advisory. They were in no way governing boards. The county board of supervisors continued to appropriate local funds and was usually represented on the advisory board.

During this period, the field staff, although located in county offices, was organized on a functional basis. There were actually three lines of authority running from the state office to each county. Each agent in the county owed his first loyalty to, and was responsible to, someone in the state office rather than to other members of the county staff.

The three main lines were the state 4-H Club leader to the county 4-H Club agents; the state home demonstration leader to the county home demonstration agents; and the state agricultural leader to the county agricultural agents. In effect, these were three separate organizations that shared housing on the county level.

Breakdown of Dual Supervision

The consequence of this combination of functional decentralization and dual supervision was a weakening of the prestige, morale, and local program orientation of the agent group in the county offices. Instead of agents developing their own programs with advice of the specialists to meet the local situations, the specialists began to exert an overwhelming influence on what happened in the counties.

Actually, the specialists tended to slip from their role of custodians of expertise—trainers and advisers—and to become performers. This trend went so far that the local generalists merely made arrangements for the specialist's performance in the county, and left everything up to the specialist. Called county extension agents, they began to joke about themselves as "booking agents." The county worker knew that if arrangements suited the specialist, and if he were able to produce a large audience for him, the specialist, in his role as supervisor, would rate him highly. Since this rating was a factor in determining salary adjustments and

promotions, its weight as a motivation was almost universally apparent in the behavior of the county agents.

As a result, the total cooperative extension service program in Michigan shifted from county orientation to state orientation. The specialists developed materials that they made available to all of the counties with little modification. And the local staff, which was interested in a good rating, was obliged to serve as the "booking agent."

A county agricultural agent, for example, did not have to spend any of his time investigating the economic situation among farmers in his county. Nor was he under great pressure to develop a program relating to the management of farms in his county as businesses. Instead, the agricultural economics specialist group packaged up a "program" (in this case, the program of events for a meeting) and encouraged agents throughout the state to schedule it in their respective counties. The agent's job was to see that the room was large enough, well ventilated, and capable of being darkened for projection equipment—and to see to it that it was filled with farmers at the proper time.

On one occasion, in the presence of the author, a group of 4-H Club volunteer adult leaders petitioned their agents for projects on home vegetable gardens, instead of the swine raising project that they were being urged to promote. The agents, all agricultural college graduates, pointed out that there was no specialist in the state office for vegetable gardens, but there was one for swine. Thus, by their logic, swine raising was the appropriate project for boys and girls in that part of the state.

During this period, it was typical for a county home demonstration advisory committee, representing women served by the county home economics extension agent, to have similar problems. They might go through a "program planning" exercise and, in light of the local situation, decide that nutrition was their major problem. They might then recommend work on basic food groups and meal planning. Frustration followed when they were informed by the unhappy agent, after receiving word from state headquarters, that the nutrition specialists would be in a different part of the state that year, but a clothing specialist was

available. A program on making children's overalls might be recommended.

As might be expected, one effect of this supervision by specialists was the disintegration of county advisory groups. Although many of them continued to function over several years, they did not give advice on program, which was their original purpose. Instead, they became associations of leaders working with the organized groups affiliated with the Extension Service.

The word "program" itself lost meaning to the county generalists. Conceived originally in terms of a general purpose, a sense of direction for their activities, based on objectives and goals, it had been a plan for bringing about educational impacts as prescribed by local conditions. It changed into a mere scheduling of activities.

Upon asking a member of one of the larger county staffs what the program was in his county, the author was told that his staff did a radio program every morning and a television show at noon; they put information in both daily and weekly newspapers; the telephone rang continually, with people asking for information; and (with a great deal of pride) there was a meeting to attend almost every night in the week.

Dual supervision, in this case, resulted in a twofold degeneration. The county generalist was not the only one to suffer. The specialist, generally, was unable to integrate the two roles of supervisor and expert. As he strayed into the supervisory role, he found himself unable to play his former role of expert.

The typical specialist, for example, would have a map of the state in his office. With each visit to a county, he might place a pin in the appropriate spot on the map. At the end of the year, if there were some counties with no pins, the specialist might plan to make a particular effort to reach them in the next year. Such visits might have very little to do with the relation of his specialty to the needs of the counties in question. Although the framers of the specialist rating plan had asked each specialist to list the importance of his project for each county, they had neglected to reckon with the human trait of all specialists—to see the world as largely depending on their particular specialties.

Actually, even though the specialist could see himself as "changing hats," and perhaps slipping gracefully from one role to the other, the county generalist with whom he worked could not forget the supervision hat. Seen as both expert and supervisor, the specialist was unable to overcome the dual expectation of the local generalist.

Reorganization

In the last several years, the Michigan Cooperative Extension Service has undergone a gradual reorganization. Basically, the shift has been away from the functional decentralization, and toward a geographic, or areal, organization.

The line supervisory group has been increased in size and its authority redefined. The state has been divided into four supervisory districts. Within each supervisory district, the supervisor has all of the duties and responsibilities that the director has for the state.

In the county office, also, shifts have been made. One person is chairman of the county staff. An effort has been made to encourage the members of each county unit to give their loyalty to each other. Functional lines to subject-matter persons in the state office have been severed, at least officially.

Specialists no longer make ratings of county agents. They are now, instead, considered to be staff to the county personnel, as well as to others in the organization. One of the factors that the supervisors consider in evaluating performance of county personnel is the extent to which they have been able to involve local people successfully in developing programs specifically tailored to the local situation.

The Theory of Dual Supervision

AT THIS point we leave the description of the Michigan case to look at the concept of dual supervision. Macmahon, Millett, and Ogden, using their experience in the Works Progress Administration and the Resettlement Administration, concluded:

... it may be time to develop a new theory of hierarchy, a theory recognizing the reality and justifying the practice of dual supervision. It is no solution to the pressure of specialty to grant it a separate and independent field organization.

If coordination through integration justifies the grouping of related activities under a single parent organization at headquarters, then similar advantages may be wanted, even demanded, in the field. . . .

and,

The theory of hierarchal decentralization should openly proclaim that lines of authority in the organization are often dual, or even multiple, that the reaction of technology on administration is apt to increase the proportion of situations in which such conditions exist, and that the arrangement of structure and the training of personnel must provide for nicely divided loyalties.¹

Millett later suggested dual supervision throughout the administrative structure as the solution to the basic problem of administration, which he put as follows: "... to utilize special techniques and skills to the fullest degree in realization of assigned objectives." He went so far as to point out that "dual supervision must go with decentralization by hierarchy."²

Contrast this with the principles suggested by Alvin Brown: "Two members should not delegate responsibility to the same member," and "supervision of a member of an enterprise may be exercised by his principal and by no one else."³

Or, as Henri Fayol puts it:

For any action whatsoever, an employee should receive orders from one superior only. . . . In no case is there adaptation of the social organism to dual command. . . . In all human associations, in industry, commerce, army, home, State, dual command is a perpetual source of conflicts, very grave sometimes, which have special claim on the attention of superiors of all ranks.

He recommends, then, "... one head and one plan for a group of activities having the same objective."⁴

¹ Arthur W. Macmahon, John D. Millett, and Gladys Ogden, *The Administration of Federal Work Relief* (Public Administration Service, 1941), pp. 265, 266.

² John D. Millett, "Field Organization and Staff Supervision," in *New Horizons in Public Administration* (University of Alabama Press, 1945), pp. 113, 116.

³ Alvin Brown, *Organization: A Formulation of Principle* (Hibbert Printing Co., 1945), pp. 58, 137.

⁴ Henri Fayol, *General and Industrial Management*, Constance Storrs, tr. (Sir Isaac Pitman & Sons, 1949), pp. 24, 25.

The Army Service Forces, in its *Control Manual* of basic principles of organization, seemed to agree with Brown and Fayol, and the majority of writers on this point:

No member of an organization reports to more than one supervisor. . . . The effectiveness of a person is inevitably hampered and often eliminated if he is required to report to more than one supervisor. In an effort to follow the instructions of one, he may violate instructions from the other. Moreover, because of uncertainty about what he is expected to do in the face of conflicting instructions, less work is accomplished. Likewise, he may find it necessary to disregard both superiors in order to take action, with the result that needed control and supervision is lost.⁵

That a clear dichotomy of points of view exists on the opening question of this paper is further illustrated by the stands taken in certain current textbooks. For example, Simon, Smithburg, and Thompson say that

. . . unity of command must be regarded as an illusion. Unity of command does not actually exist and cannot be established in real organizations. . . . To impose unity of command, we would have to prevent employees from accepting the proposals of specialists in whom they had confidence or whose authority seemed legitimate to them by reason of functional status.⁶

They go on to suggest that statements like "a person should have only one immediate superior" are actually myths. As such, they "bridge the gap between the way people feel they should be treated in organizations and the way they are actually treated." They support this point by stating that, "the fact is that a member of an organization, in addition to the orders of his superior, accepts the orders of personnel officials, attorneys, and a whole host of others."

This reasoning allows no distinction between authority and influence, a very helpful distinction in the analysis of control. Simon, Smithburg, and Thompson define authority as "the ability to elicit obedience." But the

same authors also state: "What most often happens in organizations is that each employee takes orders on technical matters from various sources, but in cases where there is a conflict, he takes his problem to his hierarchal superior."

This "hierarchal superior" fits this paper as "supervisor"; he makes decisions relating to salary adjustments and promotion, as well as settling disputes.

Adding the experience of another case will be helpful in the analysis to follow. The Bureau of Reclamation has taken a stand for dual supervision, according to Frederic N. Cleveland. He points to the "dilemma of supervision" as area integration versus technical control, as follows:

Decentralization along areal lines provides a sound basis for integrating field activities under a regional generalist with the same kind of management responsibility for his limited area that the bureau chief carries for the whole national program. Such integration makes for more effective teamwork, economy in housekeeping staff, and better coordination in service to the public, but it weakens the control and influence of functional specialists. . . . The only guarantee for high quality performance lies in direct supervision and control exercised by outstanding specialists at headquarters.

He goes on to quote from the agency's manual as follows:

". . . Line officers are those officials who are charged with all the responsibilities of one organizational level. . . . Technical supervision . . . is the responsibility of a staff officer to see that his functional specialty is carried out properly at lower organizational levels. It is the authority to observe, appraise, interpret, and advise. It does not include the authority to issue orders or to direct any officer, line or staff, in a lower organizational level. . . ." [but] "Technical advice rendered by a staff officer to a lower level of organization may not be disregarded by the line officer (or his staff representative) to whom the advice is given."⁷

In analyzing the effects of this situation, Cleveland points out that project construction engineers have two line bosses, and "even where no overt incidents develop, the uncer-

⁵ *Control Manual*, Army Service Forces Manual M703-2, Headquarters, Army Service Forces, 25 April 1943.

⁶ Herbert A. Simon, Donald W. Smithburg, and Victor A. Thompson, *Public Administration* (Alfred A. Knopf, 1950), pp. 214, 284, 297.

⁷ Frederic N. Cleveland, "Administrative Decentralization in the U. S. Bureau of Reclamation," 13 *Public Administration Review* 18, 25 (Winter, 1953).

tainty of the situation impairs morale and saps the efficiency of the whole organization." Also, "... the regional director, a responsible operating official, is denied control over a major operation for which he is still held responsible."

In addition, Cleaveland suggests that the specialist group is so busy with supervision that it is unable to devote much of its expertise to its specialty.

There are striking parallels between the consequences of dual supervision in the Bureau of Reclamation and in the Cooperative Extension Service of Michigan. Let us turn now to analysis of the forces at work in dual supervision.

Analysis of the Problem

HOMANS, in his study of interpersonal relations, gives us a set of tools by which we may analyze the forces operating among specialists, generalists, and supervisors in the Cooperative Extension Service of Michigan, and perhaps in other organizations.⁸ He proposes the selection of three elements of behavior for this purpose—activity, interaction, and sentiment—and states several propositions regarding them that seem to apply here.

For example, he hypothesizes: "... the more frequently persons interact with one another, when no one of them originates interaction with much greater frequency than the others, the greater is their liking for one another and their feeling of ease in one another's presence." This hypothesis could have applied to the relationship between specialist and agent in the Michigan case, except that interaction came to be originated by the specialist when he became part supervisor.

The specialist could not function so effectively as a specialist when he served also as part supervisor. Homans suggests that "the strength of sentiments of friendliness and freedom from restraint between two men varies directly with the frequency of interaction between the two and inversely with the frequency with which one originates interaction for the other."

Also, the sheer quantity of interaction plays

an important part in determining these relationships. In the Michigan case, the administration was, in a way, forced to use the specialists in the rating of generalists because it had very few supervisors. It was physically impossible for the supervisors to interact enough with the generalists to evaluate their performance.

Homans also hypothesizes that "the relationship between two persons, A. and B., is partly determined by the relationships between A. and a third person, C., and between B. and C." Going a step further, he says, "so far as A. and B. both originate interaction for C., the relationship between them is one of constraint, and interaction between them tends to be kept at a minimum."

In the case at hand, relationships between supervisors and specialists, and among specialists, became strained as all were assigned some measure of authority over agents. Some of the lack of coordination among specialists in their approach to a given county may be accounted for in this way. To generalize, there is probably a relationship between the number of specialists interacting with a given individual and the amount of power each specialist can have.

Thus, we might conclude that, all things being equal, the amount of control that can successfully be vested in specialists varies inversely with the number of specialists who may utilize that control. However, if we accept Homans' statement that "no pair relationship is independent of the whole matrix of relationships," we must also assume that *all things* are never equal.

Looking at dual supervision in another light, Fesler concludes that, "... the doctrine of dual supervision is really functional dominance."⁹ He infers that the supervision of the specialist overcomes that of the area administrator. Although an organization may try to decentralize on an areal basis, therefore, if it subscribes to dual supervision it actually returns to functional organization.

This suggests to the author that dual supervision is, in reality, a misnomer. Perhaps it should be replaced, as a concept of organization, with the milieu theory of control.

⁸ George C. Homans, *The Human Group* (Harcourt, Brace and Company, 1950), pp. 43, 243, 260, 301, 422.

⁹ James W. Fesler, *Area and Administration* (University of Alabama Press, 1949), p. 94.

The Milieu Theory of Control

SUPERVISION may be defined rather narrowly in such terms as selection, assignment, coordination, performance evaluation, and promotion. With this kind of a definition, we may go back to the principle of but one supervisor for each person in an organization—"unity of command." To it, however, we add the notion that the actual control of this person rests with a multiple complex of factors in his environment.

McCamy throws light on this complex of factors in his analysis of decision-making. He illustrates five personal factors—"the prestige of the individual in relation to others involved and in relation to his total environment, the economic security of the individual in relation to others involved" (wife, children, parents, etc.), the individual's knowledge, the responsibility that the individual feels, and the "complex of attitudes concerning competence and personality which the individual holds toward others in his grouping." He also lists seven "ex-personal" factors, examples of which are events in the field of the agency's work, knowledge from research or analysis, reputation of the agency, security of the agency, and resources available.¹⁰

If these factors are useful for the analysis of decision-making, as McCamy suggests, they are also valuable for the analysis of control in an organization. For example, the prestige of various specialists in relation to certain specific problems can delineate the aspects of the work in which they have more or less power. Conversely, the economic security of generalists can be used to identify the extent to which they will submit to any authority, specialist or supervisory.

Being a part of the milieu, the headquarters specialist exerts some influence over a generalist in the field, along with his supervisor. And this is true whether the organization's "manual" says so or not. But so do his clients exert some influence. And so do his colleagues, his associates in the service club, and his wife.

The specialist, then, does have some authority. But he will be more effective if he exerts only the authority of ideas, and leaves line au-

thority to the supervisor. "The specialist," as the old cliché puts it, "should be on tap, not on top."

Authority

There are many definitions of authority. Before we go further, however, some conditions of authority must be brought out.

Homans puts it this way: "... a social system is in moving equilibrium and authority exists when the state of the elements that enter the system and of the relations between them, including the behavior of the leader, is such that disobedience to the orders of the leader will be followed by changes in the other elements tending to bring the system back to the state the leader would have wished it to reach if the disobedience had not taken place." (p. 422) The specialist as leader has sanctions at his disposal different from those of the supervisor as leader.

This same concept has been stated, perhaps more clearly, by Barnard:

... A person can and will accept a communication as authoritative only when four conditions simultaneously obtain: (a) he can and does understand the communication; (b) at the time of his decision he believes that it is not inconsistent with the purpose of the organization; (c) at the time of his decision, he believes it to be compatible with his personal interest as a whole; and (d) he is able mentally and physically to comply with it.¹¹

To avoid confusion, let us call control over other people power. And then, to clarify the organizational relationships, let us divide power into authority and influence, authority being legitimized power.

According to Simon, "a subordinate may be said to accept authority whenever he permits his behavior to be guided by the decision of a superior, without independently examining the merits of that decision."¹²

If we reserve authority for the supervisor, the specialist retains influence. In a "true staff" capacity, the influence of the specialist is limited only by his competency. Since authority does not exist until it has been accepted, the

¹⁰ James L. McCamy, "Analysis of the Process of Decision-Making," 7 *Public Administration Review* 41 (Winter, 1947).

¹¹ Chester I. Barnard, *The Functions of the Executive* (Harvard University Press, 1936, 12th printing), p. 165.

¹² Herbert A. Simon, *Administrative Behavior* (Macmillan Company, 1947), pp. 11, 12.

influence of the specialist, or of the wife, may be greater as a power than the authority of the supervisor.

The specialist, however, has an advantage over the wife and others outside of the organization in that he may interact "officially" with the generalist. Thus, the status he gains by virtue of his position, and the access he has because he is part of the organization, add to his influence.

To carry the analysis further, let us look at the member of an organization as a person from the social psychologist's point of view. He describes social interaction as the process by which men, in contact with each other, effect changes in each other, each adjusting himself to the behavior of the others. How each individual sees himself in relation to others, how he integrates the various roles he plays, and the expectations he develops with respect to those around him—all these factors impinge on his behavior within an organization.

Also, how each individual alters the perceptions of his experiences into meaningful patterns upon which he can base his behavior depends on how he sees the organization that employs him, and the groups within it, in relation to the other groups in which he enjoys status or plays some role. Thus, authority within a legal-rational hierarchy is very different for one who sees his job there as completely outside the extended kin group in which his norms are made from authority for one whose family sees him in terms of his status within that hierarchy.

The factors that make for influence and authority in our society have been listed by many writers in the social sciences. One such listing, which fits this analysis, has been pinpointed by Miller.¹³ He suggests office, family position, and socio-economic status as lending authority to their incumbents. And, as ingredients of influence, he includes wealth, respect, morality, success, access, obligation, time, subject-matter competence, organizational skills, skill with symbols, and the legendary personality.

Each individual agent, specialist, and supervisor in the Michigan case, then, possessed some of these characteristics and could exert

some influence upon others. As Simon points out, "authority can operate upward and sideways, as well as downward" in an organization. We add that influence is even more versatile.

The Milieu of Control

It should be obvious at this point that the milieu of these power factors that encompass the worker in a large public organization exist both within and without the organization, and that those within are found in both formal organization and in the multiple informal relationships. From this situation we derive the milieu theory of control.

That this way of looking at control within organizations has been accepted, although perhaps not articulated, is evidenced by the attention paid to informal groupings and the "grapevine" by administrators. Another evidence is the increasing concern about the wives and families of prospective recruits on the part of personnel officers and employers.

We shall see the conflict between areal and functional organization, or, more particularly, the relationship between headquarters supervisors and specialists and their field staffs, in a new light if we believe that informal organization is the most important aspect of organization.

Reeves suggests that "the effectiveness of administration is related directly to the extent to which an administrator is successful in gaining cooperation of informal groups." He also points to the importance of bringing the informal organizations within the structure into accord with the purposes of the formal organization.¹⁴

If, out of all these pressures upon the individual in an organization, and in spite of the milieu that really controls him, administration is to achieve some measure of cooperation from him, and a coordination of his efforts with those of his co-workers, then the case for the single-line supervisor is imperative.

Much confusion on this point in the literature is a matter of definition. Generally, super-

¹³ Paul A. Miller, *Community Health Action* (Michigan State College Press, 1953), pp. 15-18.

¹⁴ The author is indebted for these propositions to Floyd W. Reeves, consultant to the president, Michigan State University, under whose guidance his basic concepts of administration were developed. That some of the thinking of Mr. Reeves is reflected in other parts of this paper is the hope of the author.

vision is defined too broadly, implying complete control. As a matter of fact, neither the supervisor nor any other single mortal completely controls any man. This notion of complete control is related to the failure to separate influence from authority.

If it is granted that what exists in organizations exists, and that assigning various definitions is of little consequence, then many staff people and specialists try to gain authority, or may even be assigned it, as in the Michigan case.

These people must exert influence, and they should. But it is the thesis of this paper that the effectiveness of organization is related directly to the extent to which authority is reserved for the unitary line supervisor.

The specialist has an important role to play as a specialist. He serves as aid and counselor to all levels of the hierarchy. To confuse him with supervisor is to weaken him as specialist, and to weaken the hierarchy as well. Whether

authority be vested in a specialist or a generalist will depend on the way the particular organization is organized. But there is no place in the hierarchy for dual supervision.

The Michigan case serves as a demonstration of this thesis. The loss of effectiveness of the specialists, the weakening of the prestige and morale of the county generalists, the disintegration of the county advisory groups, and the failure of the program to meet local needs were the results of dual supervision.

This thesis does not deny that there are other loyalties besides loyalty to the supervisor. It does not deny that there are other kinds of authority in addition to the authority of position. Nor does it deny that many influences impinge upon each decision. But, accepting all these facts, and the milieu theory of control, it restates that the extent to which an organization attains unity of supervisory command is a measure of the effectiveness of its administration.

"An Intervening Layer"

American public administration has refused to make the distinction between the career administrators and the scientists, the former to be the "intervening layer," between the latter and the politicians. In American government departments, scientists, professionally trained men, technologists, get to the highest posts in the departmental hierarchy, as heads of the bureaus. This inevitably affects the scientist's impartiality. His contact with politics is immediate: with the political assistant secretaries and chief. But these have not anything like the qualities required for the comprehensive, intelligent, and comparative appraisal of the data—they have not the education nor the experience, nor sufficient time in office. . . .

There is dire need, especially in the American government, for "an intervening layer" of career servants between scientists and politicians. Much as in Britain (the French have now followed this method, and the Germans have long had it), this group should be recruited, in the main, from the best minds and characters of the young graduates. They should have a modern liberal education, which would include a scientific orientation. They should be recruited in early manhood, so that they are nurtured in the spirit of governmental equity. They will take off the shoulders of the "pure" scientists the job of fighting for appropriations, of justifying departmental policy and briefing their own political chiefs, and taking up arms in the struggle between departments and bureaus and agencies for authority and decisions.

—Herman Finer, "Government and the Expert," 12 *Bulletin of the Atomic Scientists* 331, 332 (November, 1956).

"Who Are We To Believe?"

EDITOR'S NOTE:

In 1953 the New York Mayor's Committee on Management Survey, as a result of its survey of health problems and administration, recommended that New York City proceed to fluoridate its water as a means of preventing dental caries. The standards urged are those recommended by the U. S. Public Health Service and the New York State Department of Health. Following this recommendation, early in 1955 the New York City Department of Health acting under the advice of the New York City Board of Health made an elaborate study of the fluoridation problem and recommended to the Mayor and the Board of Estimate that appropriate steps be taken to proceed with fluoridation. The Commissioner of Health then proceeded to explain what was involved and to present the position taken by the Commissioner and the Board.

As in most cities, the actual distribution of water is handled by the Department of Water Supply, Gas and Electricity. The New York City Commissioner has apparently made up his mind to oppose the fluoridation of the water supply partly for engineering reasons and partly because his Director of Laboratories has advised against fluoridation.

In order to reconcile this interdepartmental conflict and to give a full opportunity to be heard to all shades of opinion, both professional and other, a general public hearing was arranged at City Hall on March 6, 1957. The Board of Estimate Chamber which is used for such purposes was filled to capacity, as was the Council Chamber where the proceedings could be heard on the public address system. The first two hours were given to the advocates under the general leadership of the Committee to Protect Our Children's Teeth. The next two hours went to the anti's. From then on, except for an hour's recess at luncheon and another at dinner, the hearing alternated hour by hour until every last person who wished to be heard and stuck it out was given an oppor-

tunity. The hearing was adjourned at 2:00 a.m.

The next day, Luther Gulick wrote the following letter to the Honorable Abe Stark, President of the City Council, whose oft-repeated question gave Mr. Gulick his point of departure.

March 11, 1957

Honorable Abe Stark
President of The Council
City Hall
New York 7, N. Y.

Dear Mr. Stark:

You put your finger right on the central question at the Fluoridation Town Meeting when you asked, "Who are we to believe? Who are we to trust?"

You were asking how should a layman in a post of authority weigh scientific evidence and determine what is sound public policy.

I am not a public health and medical scientist either. But I can suggest, on the basis of my work in public administration, not the answer to the fluoridation question, but the method whereby you can decide whom to believe, whom to trust.

We laymen have to divide the question up into its four parts. These are (1) the scientific; (2) the engineering; (3) the constitutional and legal; and (4) the political.

1. The scientific question breaks down into: does one part per million in the water actually reduce tooth decay significantly? Does this amount of fluoride content have bad effects on human beings, especially long run? Does it do damage to any industrial processes?

The authorities to trust on these scientific questions are those public health and medical authorities *who are themselves recognized by their own professions*. We laymen must turn on professional matters to the men who stand highest in their own professions. They know how to evaluate the scientific evidence. They know what research is required and how much.

They know what research is honest, what is not. Each in his field keeps up with all that is known. And when Dr. Benjamin Spock, Dr. Thomas Parran, Dr. Howard Rusk, Dr. Peter Marshall Murray, Dr. George Baehr, Dr. Bela Schick, Dr. Robert Loeb, Dr. Detlev Bronk, Dr. Morris Fishbein, Dr. Jonas Salk and science writers like Waldemar Kaempffert and Watson Davis—to name only a few authorities well known in New York City—when they say one part per million is effective and safe, I think we better take their word for the scientific aspects. Contrary statements by others must be in error, though they should of course be examined and tested not by you and me or in public debate, but by the recognized scientific experts. We must rest on the statements of the experts whom the professions recognize as such, not on those who talk loud or sound good.

Incidentally most of the "scientists" who came before the Board in opposition have little or no standing in their own professions. I thought several of them seemed sincere and devoted. But, Abe, most of them were arguing outside their own field of competence and appear opposed to public health generally; some of them are men of no standing in their home towns among their own professional associates; some talked about this one or that one little experiment and ignored the vast mass of accredited evidence. It is a topsy turvy world indeed when an electrical engineer from Connecticut with no standing among professional statisticians lectures the Board of Estimate on statistics and health when you have sitting there, fully endorsing the statistical methods of the Newburgh study, New York's own Dr. Louis Dublin, world renowned in this special field.

In a scientific matter we don't count noses; we count professional standing. The top men are the authorities to trust. In fact, that is all a layman can do. And the qualified scientists have reached a conclusion: fluorine at one part per million is safe and effective.

You know, New York City has the strongest local Board of Health in the world. We have given them a great deal of power. Just read the charter. Their record over the generations has been extraordinary. It is under their guidance that we have dealt with diphtheria, smallpox,

typhoid, venereal disease, tuberculosis, and polio. They took the lead on chlorination. They have always been conservative in the best sense, and progressive, and very, very safe. They have never made a mistake on a major public policy. And as you know they have been extremely thorough in waiting until they were absolutely sure as to fluoridation. And they are solidly for it now. They feel that further delay is scientifically unnecessary, and will only deprive another year's batch of kids of the benefits of greater dental health. And for us laymen, I think that settles it. As Charlie Silver said, in a letter which some misunderstood, the charter authority for determining the scientific and health question involved is the Board of Health and nobody else.

2. The engineering question is: can one part per million be added to the water supply without damage to the system and be delivered at one part per million at all the taps in this city with its 5,000 miles of water mains? Commissioner Ford questions this and says that there are many as yet unsolved engineering questions. *On this he is the authority*, and I do not take the contrary assertion by any public health doctors, any more than I take the views of the Department of Water Supply, Gas and Electricity on the public health features. Experts should stick to their fields. On the engineering question we should trust Ford and reputable water-system engineers.

I note that Commissioner Ford reports from other cities that actual deliveries run from .3 to 1.6 parts per million. This agrees with the analytical reports from other sources. I have inquired from some of the medical experts and they tell me (a) that even these variations are not at all dangerous though they would aim for 1.0 as a goal; (b) that the tests made leading to the proof of effectiveness and safety also had just such variations; and (c) that New York with its expert department might do much better. I am sure that Commissioner Ford could devise a plan to guarantee at least as good an end result as any other American city, some of which are very good already. He said as much in his testimony, though few noticed it.

Nonetheless, I think the engineering questions raised by Commissioner Ford, so intelligently, require a much better engineering answer than any we have been given. Only engi-

neers experienced with waterworks can be the judges of the evidence here, and only such engineers can design operating plans for fluoridation.

3. The constitutional and legal questions are easy to dispose of. When ex-army generals, however great their military experience, research engineers, even scientists, and club women tell us that fluoridation is "unconstitutional" I wonder how silly educated folks can get. Two great New York lawyers, Frank Adams and Beth Webster, have said there is no possible shadow of doubt on the legal and constitutional question. A dozen state courts have so held, and the U. S. Supreme Court has declined even to hear the argument on constitutional grounds as a complete waste of time. It is also a waste of your time.

Incidentally, may I say that medical people from out of town and club women and journalists who call for a referendum in New York City need to be told that: (a) we have representative government in New York City under our charter, we don't have Western style "direct government" with unlimited initiative, referendum and recall. We trust and hold responsible our elected officials and get a good result that way; (b) the charter does not make it possible for the Board of Estimate or the City Council, or the Board of Health, to submit fluoridation to the voters. The only referenda we permit legally are specified in the charter and relate to defined charter changes. A question like fluoridation is excluded. The only way we could get a referendum would be to amend the charter first by referendum changing our basic law, or by giving up some of our Home Rule and going to Albany and asking the Legislature to decide what is good for us in New York. It was on this basis that the N. Y. State Court of Appeals threw out the referendum on police and fire salaries in 1943. The opinion on the case was written by Judge Thomas Thacher who was the chairman of the charter commission which after extensive debate wrote these provisions into the New York Charter of 1938.

On the constitutional and legal questions we already have the answer from unimpeachable legal authorities. We know how to select those whom we will trust on the city charter and the Constitution.

4. The political question is this: Should any measure of public health be adopted and "rammed down the throats" of the people when there is a considerable number of sincere people who are opposed, unconvinced and fearful? On such political matters, you members on the Board are the experts; not the doctors, the engineers, the fanatics or the publicists. You run for office, and they don't.

I think it is a bad policy to force any major change on the public without first educating them very fully. Even as to tooth health, there is a lot more to it than just drinking water with a better fluoride content than we already have. There are diet, brushing, rinsing, regular dental care, and other elements in the water too. At the same time, even after full and long-continued public education there will always be some who do not come along. In the end, we have to use the fundamental power of the City for "health, welfare and public safety," even though there may be some who never accept the final need of acting for "the greatest good of the greatest number." But I am all for full education before we apply the ultimate power.

We had a good illustration on polio. The scientific work was fine, but no better and nowhere near as extensive as on fluoridation. The public was educated with a wonderful program, backed by the President, the governors, and all of you people in responsible posts of the city as well as by the leading professional authorities, including our own Health Commissioner and Board of Health. In that case, you took the lives of our children, and of your own, in your hands and trusted the new scientific discoveries as reported by the recognized medical and health experts. There were always some skeptics, including some doctors and women's clubs, and still are some who decline to let their children have the protection of anti-polio shots. Fortunately, if polio is contagious, they probably get some of the general community protection indirectly. But the program is universal, and the scourge and suffering of polio will soon be a thing of the past.

Fluoridation is different. If it too could be strictly voluntary and effective for the masses there would have been more of an education campaign to convince the people. Instead of concentrating on administrative action to flu-

oridate, perhaps the public health authorities should have taken a leaf out of polio and done more to educate the public first. In any case, it is clear that the public needs a better understanding so that their fears may be set at rest and they may know better whom to trust on the scientific questions which are involved.

I think an election year is a bad year for general public education on a matter in which light, rather than heat is required. Education takes time, and it takes a less passionate approach than we saw at the hearing to get at the facts and learn whom we can trust on this.

Another point on the political question will have impressed itself on you. Most of those who spoke against fluoridation are either professional opponents from abroad or are local people who have never been before you fighting for the interests of the middle and lower income people of this city. Most of the people who came before you to support fluoridation are those who are, like you, deeply concerned with the struggling millions of this city, and with labor, and the underprivileged. You know them. They have a long record of working for human welfare. And there were many more ordinary folks at City Hall on Tuesday, waiting to be called, held back to save your time.

I would think that in the end, when the public has a better understanding of fluoridation and what it can do for children soon, and for all adults when they grow up, there will be a very strong political force. Even now I believe when the record is studied you will find that the united citizen strength of the parents' groups, individual locals, etc. who have gone on record for fluoridation far outnumber those opposed. Of course the adoption of fluoridation and the leadership by you gentlemen which this would demonstrate, is a great educational force in itself, especially if it is handled by appropriate press, radio and TV presentations. Senator Joe Clark, when mayor of Philadelphia, held a noisy hearing full of opposition, adopted fluoridation, and told me that then he had only six letters of opposition in a whole year thereafter! And, when he ran for the Senate he won in a state which went at the same time for Mr. Eisenhower. It must be the opposition has more time on its hands and is noisier than it is numerous.

As I said at the start, I would not presume

to tell you what to do. What I have tried to do is suggest how you can decide whom to trust. And what I have said adds up about like this:

On the scientific facts as to the efficacy and the safety of fluoridation I would accept the decision of the New York City Board of Health and the Department of Health, especially as this is in accord with the Federal and State public health authorities, and has the endorsement of all the leading public health authorities in the United States, the responsible health and medical associations including our own Academy of Medicine, the city and the five county medical and dental societies, and the men we have learned to trust like Dr. Benjamin Spock, Dr. Jonas Salk, Dr. Louis Dublin, and all the rest. In view of the fact that the AMA is now engaged in looking at the evidence again, as they must always do with a developing program, I would not actually start fluoridating our supply until that report from the AMA is in. It would give us all great confidence in going forward. I would also turn the transcript of the Tuesday hearing over to the Department and the Board of Health and ask them to answer the specific questions you may have growing out of the testimony there presented.

On the engineering question as to the exact design of the techniques by which New York City water would have to be handled to be effective and safe I would want a competent engineering study made by a special board of outside engineering experts working with Commissioner Ford and his department. They would be asked to deal with the engineering questions listed above, not the health questions. This study should be started now, and would be finished by the first of 1958, about the time the new report from the AMA should be available.

On the constitutional and legal points there is no need for action. The situation is perfectly clear. It would however be desirable to have from the Corporation Counsel a summary of the facts of law.

On the political question it would seem to me wise not to act on fluoridation now, with the distortions of a political year upon us, especially as we must wait for the engineering studies before anyone can know exactly what

is proposed for action. In other words the only action called for now is to get the answers to certain questions, as you and others on the Board have already suggested, and to start the engineering exploration.

I am sorry this letter is so long. It is what I wanted to say at 2 A.M. the other night, but

spared you. That was a wonderful and democratic hearing, but I was exhausted. I don't know how you Board members "take it." You deserve the rich thanks of the people of New York.

Sincerely yours,
Luther Gulick

Even the Clock Has Been Modernized

The cartoons which Herblock draws for this newspaper have attracted such a tremendous following that they are now being printed in some 180 other papers. As quickly as Herb completes a drawing for us, it is cast into metal; then mats are made, and in the dead of night they are rushed to newspapers all over the country. . . .

The mats arrive at Washington's main post office while most of us are asleep. The messenger who delivers them is given a slip of paper stamped on a time clock to record the exact minute of mailing.

The other morning when Herb came to work his eye happened to fall on the routine receipt that had been left for him. It indicated that the mats had been mailed at 4:89 a.m.

"Ha, ha," he chuckled. "Their time clock is on the fritz."

Herb brought me the receipt. "No wonder the Post Office Department needs more money," he commented. "They can't even afford to get their time clocks fixed." I laughed, too.

But the Post Office Department had the last laugh. Their time clocks are working just fine, thank you, and the receipt was stamped . . . on a clock used for bookkeeping purposes. It divides the hour into 100 parts instead of the customary 60. . . . Twenty-four-hour clocks on which the hours are divided into 100 parts speed the job. If a man starts at 8:83 and quits at 16:91, it's obvious at a glance that he has worked 8.08 hours.

Says a postal spokesman: "You can relax. This system is for internal use only, and we don't plan to use it on postmarks. And by the way—the new clocks cost no more than the old, so don't get the idea we're wasting money on silly new systems."

—Bill Gold, "The District Line," *The Washington Post and Times Herald*, April 10, 1957.

Planning in India: Research and Administration

By MERRILL R. GOODALL

*Associate Professor of Asian Studies and Government
Claremont Graduate School*

INDIA is in its tenth year of independence. The pace of change in India since 1947 has been fast; new goals have been set and new ideas and new methods have been incorporated into the governing process. British India and a half-a-thousand princely states have been consolidated. A Constitution has been adopted. Two general elections, attracting the world's largest free electorate, have been held.

India's first five-year plan, begun in 1951, reached its goals, designed, among other things, to return the country at least to 1938-39 per capita income levels. The country has now entered a second five-year plan period. The agency primarily responsible for the plans, the Planning Commission, was appointed in March, 1950, to "assess the available resources, formulate a plan for their utilization, determine priorities in respect to programs of development, appraise the progress achieved in each stage, and determine the nature of the machinery of implementation."

The commission, in producing a draft outline of the first five-year plan, found its range of choice limited by two conditions, among others. First, the central government was committed to a sizable investment in projects sanctioned in previous years, years in which there were many plans and projects, but no single plan. These commitments were largely for agricultural and irrigation projects in the provinces. Second, the work of the commission was conditioned by the limited amount of factual-statistical information from which it had to work.

The Organization of Research

IF THE Commission could not escape the past, and no decision ever can, it was able to lay during the first plan period, 1951-56, the foundations for a surer informational basis for subsequent planning and decision. It made a vigorous effort to record and assimilate the administrative lessons of the first five-year plan and to adapt social science methods and techniques to the evolving needs of Indian administration. Few contemporary administrative systems have sought more deliberately than the Indian to sponsor social science research and to relate research results to administrative purpose. A few of the major landmarks in the developing role and organization of Indian social science will be noted.

1. *The Research Programmes Committee.* Under the leadership of the Planning Commission, and with the advisory counsel of distinguished scholars and senior public officials, the Research Programmes Committee was organized in 1953. Universities and other research institutions have been accorded government grants for projects in research of direct interest to the Planning Commission. Topics for study include the following: a case study of the office of District Collector; land tenure studies; "social surveys" of many of the larger urban-industrial centers; and studies of innovation and the receptivity to technical change in a number of village areas.

The majority of these projects are still in progress. Nearly all are being directed by the ranking professor of a university department, most frequently economics, but also anthropology and law, among others. These men are busy, overloaded with governmental assign-

ments, and many of them, for the first time, are engaged in empirical studies. They are now required to delegate responsibilities to academic subordinates and to supervise multidisciplinary, group research activities. These problems of delegation and supervision are not exclusively Indian, but they seem to be intensified by the highly pyramidal structuring of the Indian university and by the nature of gradations that often appear to separate academic colleagues.

2. *Programme Evaluation Organization.* The government of India launched, simultaneously with the initiation in 1952 of community development projects, an evaluation study of their administration and impact. An independent evaluation of the action program was sought, and the agency charged with assessment, the Programme Evaluation Organization, was made responsible formally to the Planning Commission and not the Community Projects Administration. Funds to finance the first three years of operation of this governmental unit were supplied by the Ford Foundation. The reports of the Programme Evaluation Organization are today indispensable to anyone interested in Indian development.

3. *Central Committee for Land Reforms.* This committee, established by the Planning Commission, considers and reports upon the progress of land reform measures throughout India.

4. *Indian Statistical Institute; the Panel of Economists.* The Indian Statistical Institute, at the request of the Planning Commission, prepared a "draft of a draft plan-frame," for the second plan period, 1956-61. A number of foreign social scientists, including representatives from the United States, the Soviet Union, and Great Britain, with Indian colleagues, and all employed under the direction of Professor P. C. Mahalanobis, contributed to the study. The findings of the institute were shared with the Economic Divisions of the Ministry of Finance and the Planning Commission, and a specially constituted Panel of Economists.

5. *Planning and Research Action Institute (Uttar Pradesh).* State governments have also sought guidance from the social sciences in the making of decisions for development goals. The Planning and Research Action Institute

of Uttar Pradesh state has taken particularly notable leadership. The order of government of May 10, 1954, that established this institute gave it the following functions:

- (i) to observe, analyse and evaluate the policies and actual work of the Development Departments in the field, their relations to the people and their own inter-relations, to see whether maximum results are being attained, or whether policies may be adjusted and improved;
- (ii) to devise and test out through spot work or pilot experimentation in selected areas, under controlled conditions, individually or in groups, new ideas and methods which, if successful, can be pushed out into general field operations;
- (iii) to study, test and adapt, for application in the State, ideas and methods coming up elsewhere in India or in the world;
- (iv) to undertake quantitative evaluation and comparison of results of the working of specific projects;
- (v) to conduct intensive seminars, short conferences and short-term training courses for specialized workers;
- (vi) to disseminate the results of observation, experimentation and evaluation.

The Institute's combined action programs and studies in evaluation have led to similar activities in several other Indian states. The teaching of public administration in India also has been influenced by the institute's publication of a number of intensively-investigated case studies.

6. *Institutes and centers for the study of public administration.* By 1951, the start of the first five-year plan period, a number of proposals were in the air for the organization of clearinghouses or university centers for teaching and research in public administration. The first postwar proposal for such an institute was made in 1950 by a committee appointed by Bihar government. The conclusions it reached set the tone for proposals heard elsewhere—

An Institute . . . can render valuable assistance to Government by supplying its expert and technical assistance in the light of its study of experience elsewhere in India and abroad, in any administrative problem coming before them. Problems arising out of the defects seen in the working of the machinery of any Department, the best way of demarcating and

coordinating the work of the different Departments at the District, Division, and Secretariat levels, the methods of recruitment and organization of the services, many questions relating to the relations of State governments and local bodies, and the organizational aspects of public corporations—these are examples of problems which Government can refer to such an Institute. (From *Report of the Committee* appointed by the Government of Bihar, December 1950, on the establishment of an Institute or Department of Public and Business Administration under the Patna University, p. 4.)

Today institutes or centers function in Patna, Lucknow, Nagpur, Bombay, and New Delhi. Guidance for the program in Patna comes from a political scientist. The Institute of Public Administration (Lucknow) is affiliated with the University of Lucknow and directed by the Law Faculty dean in close association with the university's Department of Political Science. The Nagpur program is organized within the university, as a Department of Public Administration and Local Self-Government. The Indian Institute of Public Administration, formally established in 1954 in New Delhi, is presided over by the Prime Minister. A branch of this institute now functions in Bombay; others are planned for Patna and Calcutta.

The study of Indian public administration has produced considerable descriptive material. Though slow in beginning, there is increasing evidence of interchange of fact, impression, and opinion among administrators, the many administrators who are primarily subject-matter specialists, and the academicians. Materials at present available include academic studies and monographs, the publications and issuances of government, the reports of the newly established Organization and Methods Division in the Cabinet Secretariat, and the materials appearing in the *Indian Journal of Public Administration*, the official organ of the Indian Institute of Public Administration.

Planning the Second Five-Year Plan

THE Planning Commission shared the process of planning the second five-year plan with a number of other specialized planning units. Plans for specific projects for the plan period, 1956-61, were solicited from the states

by the commission in 1954. On November 8 of that year, planning secretaries and development secretaries from the states met with commission officers and made an initial presentation of state, district, and village development proposals for inclusion in the new plan. Subsequent consultation between most of the state government secretaries and Planning Commission representatives was arranged during the six 1955 meetings of the Standing Committee of the National Development Council.¹

Suggestions aimed at achieving a more "integrated" approach in the preparation of state, district, and village plans were contained in numerous letters that the Planning Commission sent to the state governments in the year 1955.

The development of the second five-year plan involved a number of additional reviews and consultations. The Economic Divisions of the Ministry of Finance and the Planning Commission considered and reported jointly on the "draft of a draft plan-frame" that had been prepared by the Indian Statistical Institute. The research memorandums and recommendations of the Statistical Institute and the Economic Divisions were made available to the Panel of Economists, an unofficial body convened by the Planning Commission. The studies of each of these agencies were published and given fairly wide distribution, even though their recommendations on goals and means of implementation were far from uniform. Draft plan memorandums were reviewed by the National Development Council and its Standing Committee, the Central Cabinet, and the Consultative Committee of Parliament on Planning. A final Planning Commission revision was submitted to Parliament on May 16, 1956.

Despite the seeming multiplicity of review and clearance, the Planning Commission retained responsibility for the completed plan.

¹ The National Development Council, presided over by the Prime Minister, consists also of the Chief Ministers of all the states. It was organized in 1952 and meets twice yearly. The Standing Committee, composed of the Prime Minister (chairman) and the Chief Ministers of Bombay, Hyderabad, Madras, Mysore, Punjab, Rajasthan, Travancore-Cochin, Uttar Pradesh, and West Bengal was formed in November, 1954.

Fewer persons were actually involved in the process of decision than is suggested by the number of participating agencies. The Prime Minister is chairman of the Planning Commission; he also heads the National Development Council and its Standing Committee. Key Cabinet Ministers serve on the Planning Commission and the Prime Minister, of course, leads the Cabinet. And when the Planning Commission acts as Central Committee for the guidance of the Community Projects Administration, it is again led by the Prime Minister.

Such concentration of portfolio is perhaps not unusual at the topmost level of government. The Indian Prime Minister, however, is not a nominal or titular officeholder. Equally interesting is the appearance at the next level of only a relatively small group of officials in directing roles: Cabinet members double as planning commissioners; the Planning Commission reappears as the Central Committee for the Community Projects Administration; the director of the Indian Statistical Institute serves on the Planning Commission; the evaluating agency—the Programme Evaluation Organization—is affiliated with the Planning Commission; and so on.

Administration of Plans

THE first five-year plan accentuated the central government's reliance upon the states for the actual programing and administration of development activities and, on the other hand, the states' dependence on the center for the financing of these activities.² The center is not dependent upon the states' administrative structure, however, for the performance of numerous central functions. In such fields as customs, central excises, income tax, railways, and posts and telegraphs, among others, the Union Government maintains and staffs its own field or regional offices. An additional stream of central influence stems from the placement in state administration of personnel drawn from the three principal All-India services, the Indian Administrative Service (IAS), the Indian Police Service (IPS), and the Indian Audits and Accounts Service (IAAS).

² For statistics of development expenditure, see Tables I-IV, in Planning Commission, *Five Year Plan Progress Report for 1953-1954* (New Delhi, 1954), pp. 19-48.

These services are recruited, examined, and appointed by the Union Public Service Commission. Probably more than half of all Secretaries to state government and a majority of district collectors and divisional commissioners are selected from the IAS cadre.

The number of IAS officers deputed to the central ministries, however, is not impressively large. No more than two thousand administrative officers, at most, will be on central deputation by the end of the second five-year plan period.³ Additional recruits for central service will come from members of the IAS now employed in the states, from new recruits secured through the normal procedures of the Union Public Service Commission, and through various forms of emergency recruitment. New recruits are added to the IAS and given training in the IAS Training School (Metcalf Hutments, Delhi) at the rate of about 35-40 per year. And since the IAS cadre is a personnel organization common to both the central government and the states, the officers recruited are not employed exclusively by central agencies.

Important governmental functions of a development nature—agriculture, forests, public health, education, to name but a few—fall within the scope of state activity, and major responsibilities for these activities are assumed by officers in the service of state government. Heavy assignments in these areas of activity have been thrust upon the district officer, usually known as the district collector, an officer whose main obligation has been thought always to lie in the revenue and regularity fields.

More recently, proposals have been made that would extend further the association of regulatory and developmental functions below the level of the district collector's office. These contrasting governmental roles would be combined so that the *tahsildar* (known also as the *mamlatdar* and circle officer) becomes, as well, the block development officer; at the village level such officers as cooperative inspectors and revenue inspectors become the *gram sewak*, the "multi-purpose village level

³ The Planning Commission estimates that the "second five year plan would necessitate the increasing of Indian administrative officers on Central deputation from 1,188 to 1,515." See the *Statesman* (Delhi), September 4, 1955.

worker," and the *patwari*, the village accountant, becomes the assistant village level worker. Can the *tahsildar* and his subordinates be expected to take on developmental functions? The *tahsildar* represents to the Indian villager the coercive authority of government. Can this agent of government continue to maintain his role in revenue, regulatory, and police work and persuade villagers to accept the technology of the new development programs?

Similarly, proposals have been made to assign important tasks in economic development to the village *panchayat*. The *panchayat* (meaning the assembly of five and usually called the council of elders or village council) is frequently described as a self-governing agency found universally in the ancient Indian village. There are references to the *panchayat* in the epic poetry and it is discussed in the writings of Sir Henry Maine, Baden-Powell, and other observers. During the twentieth century one conception of these "village republics" supplied the Gandhians with the cornerstone of their decentralist reconstruction program. The five-year plans seek to impose heavy obligations upon the *panchayat* of modern times. The plans propose that the *panchayats* assume responsibilities for land reform measures, for the cooperative management of land, for safeguarding the interests of landless tenants, and for selecting landless peasants to be settled on lands taken over from the larger landholders.

Proponents of the *panchayat* as the agent of economic development do not always see the realities of the social structure in which administration is conducted. The *panchayat* is not found everywhere in India. Although government has tried, since 1947, to revive and extend the *panchayat*, it still exists in no more than a minority of the country's villages. Moreover, Indian village life is factional, as is village life elsewhere, and the *panchayats* respond to various social and economic pressures.

One of the ironies in the history of technical assistance is the uncritical advocacy by westerners, particularly by Americans, of the *panchayat* as a suitable carrier of community-wide development programs. A "grass-roots" agency is looked for and the *panchayat* is de-

scribed as such. Midwest American "grass-roots" and Rajasthan "grass-roots" are not similar. Even in the U. S. Midwest, as our agricultural administrators learned during the 1930's, existing institutional channels may frustrate democratic planning and action.

The role of the district officer, and that of his subordinates, is laid in a highly stratified rural society. The evidence of the last few years suggests that the discretionary powers of this officer in developmental works are likely to be strengthened. This is not to say that this Indian administrator proceeds in the absence of advice from the center or that he is free of remarkably detailed financial supervision. Yet, this multiplicity of advice and review does not produce for the central Ministries a clear picture of what the District Office is actually doing, or of the extent to which this office can be counted on in the areas of development policy and administration. In practice, guidance on development issues is more likely to reach the District Office either from the state Ministries or from unofficial and nongovernmental sources than from the center.

An important unofficial link on policy issues of all kinds between New Delhi and the states is supplied by the Congress Party. Although development operations are preponderantly in the hands of the states, party organization has so far provided a fairly steady link, center to states. The dependence of government leadership upon party organization as the essential channel of policy communication, New Delhi to the district, is stressed repeatedly. Measures designed to associate the activities of the Congress organization and the administration are studied constantly.

Control of a state administration by a non-Congress party, as now seems certain in Kerala, will affect significantly the planning and administrative relations between the center and the states, including the role of the National Development Council and its Standing Committee and of any "zonal councils" that may be organized. Such control over any considerable period of time is likely to give new impulse to studies by the central Ministries concerning the elaboration throughout the country of centrally-staffed and centrally-directed action agencies.

In Conclusion

ECONOMIC development programs have placed heavy claims upon the country's administrative system. Members and staff of the Government of India's Planning Commission, however, have sought consistently to base operations on procedures of law and public consent—to effect development without intimidation. The theory of democratic administration has supplied a continuing theme for study and experiment by the commission. Patterns of consultation have been established. Although the second five-year plan must yet resolve the essential administrative relations of countrywide planning, the country's accomplishments are substantial. Finally, Indian leadership is receptive, eagerly hospitable, to social science and social scientists.

BIBLIOGRAPHICAL NOTE

In the years up to Independence, private associations and educational institutions contributed more prominently to the flow of administrative materials than did government. The Local Self-Government Institute (Bombay) published directories and manuals on such subjects as municipal finance, accounts, auditing, and law. These were designed to assist the officer of the municipality or district local board. Its journal, *The Quarterly Journal of the Local Self-Government Institute*, began publication in 1930.

In 1951, A. D. Gorwala, a retired member of the ICS, produced two reports, both sponsored by the Planning Commission: *Report on the Efficient Conduct of State Enterprises* (New Delhi, 1951) and *Report on Public Administration* (New Delhi, 1951). Since 1951, a number of academic studies and monographs have appeared: A. D. Gorwala, *The Role of the Administrator: Past, Present and Future* (Poona, 1952); B. B. Majumdar (ed.), *Problems of Public Administration in India* (Patna, 1953); W. R. Natu, *Public Administration and Economic Development* (Poona, 1954).

There are numerous recent publications and issuances of government. The Planning Commission, *The First Five Year Plan* (Delhi, 1952)

and *The Second Five Year Plan* (Delhi, 1956) are essential administrative documents. A notable essay on democratic administration is found in the chapters on "Administration and Public Cooperation" in *The First Five Year Plan*. The reports of the Programme Evaluation Organization, *First Years Working of Community Projects* (Delhi, 1954) and *Evaluation Report on Second Years Working of Community Projects* (2 vols., Delhi, 1955), are unusually self-critical. Illustration of the formal communication system linking the center and the states is found in *Important Letters Issued by the Community Projects Administration* (Delhi, 1955); in this volume are circular letters (addressed mainly by the Planning Commission in its capacity as central committee responsible for the Community Projects Administration) to development commissioners and directors of community projects.

Many of the working papers of the second five-year plan are generally available. These include the draft recommendations of the Indian Statistical Institute, *Draft Recommendations for the Formulation of the Second Five Year Plan* (Delhi, 1955); the paper prepared jointly by the economic divisions of the Planning Commission and the Finance Ministry, *The Second Five Year Plan—A Tentative Framework* (Delhi, 1955); and the report of the Panel of Economists, *Basic Considerations Relating to the Plan Frame* (Delhi, 1955) and the *Note of Dissent* prepared by Professor B. R. Shenoy (Delhi, 1955).

The investigations of the Planning and Research Action Institute offer intensive studies of the administrative process. These include: *Pilot Project—Tanning* (Lucknow, 1954); *Reorganization of the District Planning Office* (Lucknow, 1954); *Review of the Existing Structure of Rural Cooperatives and Its Limitations* (Lucknow, 1954); and *The Development Set-Up in Uttar Pradesh* (Lucknow, 1954).

Two excellent journals are particularly deserving of notice: (1) *The Indian Journal of Public Administration* and (2) *Kurukshetra*, the monthly organ of the Community Projects Administration.

Contract Authorization in Federal Budget Procedure

By GEORGE Y. HARVEY

*Department of Political Science
University of Missouri*

THE budget of the United States, as submitted to Congress, in reality is two documents in one. First, it states the amount of revenues estimated to be received and the amount anticipated to be expended during the fiscal year. Second, it authorizes the various agencies of the government to operate for the fiscal year and sets the amounts for which they may obligate the Treasury in carrying forward their programs.

It is this second part of the budget that requires annual action by the Congress. It is submitted to the Congress annually and is acted on by the Congress annually, but there its annual character ceases. Purportedly it is a budget for a particular fiscal year and is thought of as representing the cost of operation of the government during that year, but it is not that simple. It includes funds for the completion of projects and programs begun in previous fiscal years; for the payment of items due because of the operation of laws authorizing agencies to carry on activities that are not related to any fiscal year, except as it may be possible to compute the cost thereof for the year; and for the beginning of projects that may take years to finish.

During the past decade the accounting and budgeting processes of the federal government have been the subject of continual—and highly controversial—discussion, with many ideas for improvement advanced. Constantly recurring in these discussions is the question of control of balances carried forward. Year after year, estimates have been presented by the executive agencies and accepted by the Congress, but the failure of executive agencies to carry out their programs as originally scheduled has re-

sulted in accumulation of great sums on their books. These balances have reached a size where they are properly the concern of all who seek to improve the budgeting methods of the government.

The Commission on Organization of the Executive Branch of the Government (second Hoover Commission) dealt with this problem under the heading "Restoration of Congressional Control of the Purse."¹ It recommended "that the executive budget and congressional appropriations be in terms of estimated annual accrued expenditures, namely, charges for the cost of goods and services estimated to be received." (p. 25) To effectuate this change "the Congress would give the agencies contracting authority in terms of the dollar amount required for orderly forward contracting beyond the budget year." (p. 23) This proposal, made by the Task Force on Budget and Accounting, was accepted by the commission without change.² Although the task force gave a more detailed explanation of the need for some change in the system, neither the task force nor the commission gave an acceptable explanation of how the change from outright appropriations to contract authority would cure the defects complained of.

The Problem of Carryover Funds

THE task force called attention to the large carryovers unexpended at fiscal year end, ranging from \$11.5 billion in 1950 to a high

¹ *Budget and Accounting* (Government Printing Office, June, 1955), p. 17.

² *Report on Budget and Accounting in the United States Government* (Government Printing Office, June, 1955), p. 40.

mark of \$78.4 billion in 1954. (p. 36) It pointed out that substantial amounts of these funds remained unobligated, free money available to the agencies for obligation in future years, reaching a total in one year of more than \$22 billion. Attention was also called to the fact that frequently the amounts of obligations reported were overstated. (p. 34)

This information was not news to the House Committee on Appropriations where the question of invalid obligations had been raised many times. The task force drew much of its data from an investigation by the Comptroller General made at the request of the committee in 1954. At that time the committee secured enactment of legislation to correct the situation to the extent possible in dealing legislatively with such an intricate administrative matter. The question of carryover funds relates largely to the Department of Defense. In fact the task force mentions only that department in its analysis.

The task force recognized two categories of government programs to be financed and recommended that the new concept of forward contracting authority be applied to both. The first is the group of programs which involve long lead time between the placing of orders and the delivery of goods, these programs being financed largely out of continuing appropriations not limited to one year. The second is the regular annual part of the budget which provides operating expenses for the various agencies out of which salaries and other current expenses are paid. Both the commission and the task force are vague as to just how the concept of forward contracting authority would apply to the purely annual part of the budget, but it would seem that the proposal is so close to the present system as to constitute a distinction without a difference.

The problem therefore narrows down to the defense procurement appropriations requiring long lead time and the question is: Will the change to contract authority to cover the lead time and the provision of appropriations as needed to liquidate such contracts produce a better controlled budget? The commission accepts the thesis that it will, with this statement in the preface to its report: "... within an effective budgeting system lies the restoration

of the full control of the national purse to the Congress."

The Point of Control

THE paramount question for the Congress to consider is the point of control—that point at which authority is vested in executive agencies to proceed with their programs and commit the government to the costs thereof, thereby resulting ultimately and inevitably in expenditure by the Treasury. If it is to accomplish its mission, the executive agency must be clothed with enough authority to make firm and binding contracts which commit the government irrevocably, so that there will be no question of payment. Any lesser authority obviously would be worthless. The current practice is to make an appropriation, stating its purposes and limiting its use as the Congress may determine. Such appropriation carries full authority to enter into contracts and do all the things necessary to carry out the particular program, including the money to pay the bills when properly rendered.³

Contract authority, to be effective, must include all of the elements now included in an appropriation except the one step of making funds available for payment. The failure of Congress to make appropriations for the liquidation of contracts entered into pursuant to such authority would only result in deficiency requests and ultimately, if monies were not appropriated, in court judgments. Control of expenditures would move to the executive branch at the time contract authority was granted, with the Congress required to take a second—and purely ministerial—action to provide money for payment.

What Contract Authorization Is

AN APPROPRIATION is a two-phased proposition. First, it establishes on the books of the operating agency an account against which obligations may be incurred. Second, it estab-

³ Congress found it necessary many years ago to enact general legislation making it unlawful for any department to enter into any contract without authority therefor, either in an appropriation act or in other law. The present law on the subject, Section 11, Title 41, *United States Code*, dates from the *Revised Statutes*, 1878, and is in almost identical form with antecedent statutes as early as 1820.

lishes in the Treasury an account through which cash may be made available when necessary to liquidate obligations legally incurred.

Contract authorization is identical with the first phase of appropriation. The appropriation for the liquidation of obligations incurred against contract authorization must be provided in a separate law and carried in separate accounts. All expenditures out of the appropriation will be for purposes of the contract authorization and all tests of legality will be in terms of the contract authorization.

It is not necessary to speculate on the net effect or true nature of contract authorization. It is as old as the government itself, the first such authorization having been voted by Congress in 1789.⁴ In 1942 Congress enacted contract authorizations totaling more than \$19 billion. During World War II and in the immediate postwar period, contract authorization in lieu of direct appropriation enjoyed quite a vogue both in estimates submitted in the Budget and in appropriation acts. It was experience during this period that led the Committee on Appropriations of the House and the Bureau of the Budget to eliminate contract authorizations from the Budget and the Appropriation Acts in 1950.

A recent book by two leading accountants who have had wide experience in the federal government has the following to say about contract authorizations:

Contract authorizations, in effect promises of future appropriations, confer authority to incur obligations during a single fiscal year by permitting the granting of contracts on which no payments (and usually no delivery of the goods or services) may be required until after that year. Contracts made under such authority can be legally enforced, and the Congress must, in subsequent years, appropriate whatever amounts (theoretically equal to but in practice generally somewhat less than the original authorization) are necessary to cover them.⁵

The significant words in this statement are "must appropriate." Congress has no discre-

tion, once the contract authorization has been granted. While it is true that the final appropriation might, and probably would, be somewhat less than the amount of contract authorization, this fact is a matter of no importance. The amount of appropriation would approximate the amount of expenditure that would have resulted had the full amount been appropriated in the first instance. An unobligated balance of an appropriation cannot be expended, so the balance would be just as sterile as the balance of a contract authorization.

The commission and its task force make an impressive case for reducing carryover balances and quite properly view with some alarm the size of the expenditures to which the government is committed far in advance of the submission of the annual budgets. They also point out that much of each year's budget is controlled by previous acts of Congress. They fail, however, to show how the change to contract authority will improve the control by Congress over the public purse. While the amounts appropriated may be a little closer to the actual expenditures, the relationship between the amounts originally authorized and the amounts finally expended will remain the same.

The Budget Cannot Be Truly "Annual"

THE annual budget is not so "annual" as it may on its face appear to be, even in its most simple parts. For example, a budget item providing for the salaries of employees in a particular bureau or office must be related to the number that are expected to be on the roll at the beginning and at the end of the year. A proposed increase or reduction in force cannot be effected immediately at the beginning of a fiscal year, and the amount of the appropriation must take this fact into account. If the government closed all of its offices and activities on June 30 and opened on a brand-new basis on July 1, then a truly annual budget would be possible.

It is highly desirable that future commitments be kept to a minimum and that so far as practicable the annual nature of the budget be maintained. Prudence often dictates, however, that long-range commitments be made.

For example, the appropriation "Aircraft

⁴ Sec. 3, of an act of August 7, 1789 (1 Stat. L. 54) authorized the Secretary of the Treasury to enter into contract for the construction of lighthouses without making an appropriation therefor.

⁵ Eric L. Kohler and Howard W. Wright, *Accounting in the Federal Government* (copyright, 1956, by Prentice-Hall, Inc.), p. 110. Reprinted by permission.

and Related Procurement, Air Force," which the task force cited as illustrating the large amounts of carryover (p. 36), cannot be for an annual program. The period from the drawing board to a prototype to a completed fleet of airplanes covers a span of years that varies with the size and complexity of the craft. To carry out a particular program, the Air Force must be in position to commit the government to its entire contemplated cost, and the Congress must therefore grant to the Air Force sufficient authority to make a commitment that will be binding on the government.

It is not important, either to the Air Force or to its contractors, whether this authority is in the form of appropriation or contract authority except as a contract may call for interim payments. Interim payment clauses are not unusual in contracts calling for large outlays of capital over long periods of time, and payments are made for partial work accomplished even though no completed units may have been delivered. To the extent that the Air Force had been granted authority to make binding contracts, it will be in control of the spending program. And, to the extent that appropriations may be necessary to enable the Air Force to meet interim payment demands, it will be necessary for the Congress to appropriate funds in a separate account, probably at the time that the contract authority is granted.

The problems in the aircraft procurement account, however, are not all budgetary. More than once the Congress, after considering all factors, has concluded that, regardless of the picture disclosed by budget figures, more funds must be provided in order to assure the necessary air defense. The budget estimate has sometimes been exceeded. These were policy decisions, made by members of Congress in the light of their responsibility to the country and on the basis of knowledge of world conditions, going far beyond the limits of books of account.

The present concern is not with such decisions but with the technical aspects of the accounting and budgeting practices of the departments, with a view to furnishing the Congress with more reliable information on which to base its decisions and minimize carryover balances to whatever extent may be possible

through improvement of the techniques of budgeting and accounting. The history of the aircraft procurement appropriation and the variation of obligation and expenditure estimates, used for budget-making purposes, from actual results obtained strongly indicate the necessity of a careful study of the planning and development of the program itself leading eventually to a more realistic plan of financing. It is hardly justification for a frontal attack on the basis of the whole budget when the great majority of the items in the budget are now presented on an apparently satisfactory basis.

The Performance Budget Effort of 1950

IN THOSE parts of the budget where long lead time is not an important factor and, therefore, the change to accrued annual expenditure basis would be practically meaningless, the commission gives as its chief reason for suggesting this basis: "It would place budget appropriations and expenditures on a uniform basis throughout the government." (p. 23) Any attempt to place the entire budget on a uniform basis, however, involves difficult problems. This fact is well illustrated in the performance budget effort of 1950.

The first Hoover Commission recommended what was termed a "performance budget," and in 1950 the budget for the fiscal year 1951 was prepared by the Bureau of the Budget on an entirely new basis in an attempt to comply with this recommendation. That effort was abortive because uniformity of classification was followed to the point of producing unreal results and because few agencies had the kind of accounting system necessary to support the performance or program concept. The Bureau of the Budget's own budget was the outstanding example of this shortcoming.⁶ The Committee on Appropriations of the House had the following to say about the situation:

In its full fruition it is hoped and expected that the better presentation of data will enable the Con-

⁶ Compare the budget proposal of the Bureau of the Budget in the Budget for 1950, distributed on an organizational unit basis, with that in the Budget for 1951, distributed on a functional basis. It was not possible to establish any cost accounting system that would truly reflect a distribution of costs on the proposed basis. Cost comparisons would have been on a purely arbitrary basis without real accounting support.

gress to appropriate more intelligently and provide funds more nearly in line with actual requirements. This can be accomplished only if the budget data are so directly related to the accounting data available in the agencies as to make possible a close check on cost of operations. Some of the schedules in the budget for 1951 meet this test. Others are so written as actually to result in lessened facility for consideration by the Congress. . . .

The Secretary of the Treasury, the Comptroller General of the United States, and the Director of the Budget have undertaken a joint program to improve accounting processes in the Government. In this effort lies the success or failure of the performance-type budget. . . . If the new method is to succeed immediate attention must be given to modernization and improvement of accounting systems, and the schedules in the budget must be so written as to provide a basis for proper accounting. . . . The staff of the Committee on Appropriations will discuss the subject in detail with budget officers of agencies and the Bureau of the Budget before the budget for 1952 is formulated.⁷

Remodeling of the budget system was a long and difficult task. After preliminary conferences, it became obvious that no one method would meet all requirements, so the comptroller general and the director of the budget were requested to make a survey of each agency and present an evaluation of accounting and budgeting methods and the degree of integration of the two. It was then necessary to take up each agency's budget and accounting system separately and to make a detailed study that often resulted in the revision of both.

The effort in each instance was to work out a presentation which would have the maximum of accounting support and would supply the Congress with as full information as possible on cost of operations. Wherever modern cost accounting methods were found to be desirable, they were installed. In some instances, where operations were simple and consisted only of direct employment of small numbers of people with usual contingent expense support, the old system of straight allotment accounting proved to be basically as good as any. Most agencies of the government worked willingly to secure improvement. A few had to be "encouraged."

This program was carried into the Department of Defense as well as the other agencies

of the government, but with slower and less satisfactory results. There were various reasons. The job was much larger and more complex. It was worse confused by the fact that the Korean War was under way and a general expansion of the defense establishment was beginning.

Questions as to the degree of success accomplished by the various studies and changes in systems would probably provoke some controversy. No one considers that perfection has been achieved. Many of the original systems devised under this program have been remodeled, and each year sees additional improvement as longer experience and changed conditions indicate. A flexible pattern has been adopted that will permit adjustment of the budget of the individual agency to suit its own peculiar needs and to lay before the Congress the best possible information. The second Hoover Commission has placed its stamp of approval on this program. (p. 15)

The Accounting Improvement Program

THE great secret of success of the accounting improvement program undertaken by the General Accounting Office, the Bureau of the Budget, and the Treasury Department in 1948 was the immediate abandonment of the old theory of a uniform accounting system for all agencies of the government. The accountants in charge of that program went into each agency, studied its accounting needs, and proceeded to tailor a system to fit. This program will never be completed, for it is geared to constant review in order to keep the accounting practices of the government modern. Moreover, each agency has an accounting system written to meet its own requirements and no two of these agencies or systems are exactly alike.

The government of the United States is a complex thing. It includes retail businesses, manufacturing plants, shipyards, public utilities, insurance programs, research programs, museums, and so on through all of the categories of business and human endeavor. No accountant would attempt to prescribe the same accounting system for the Pennsylvania Railroad and the A & P grocery chain. It would be equally ludicrous to ask the Alaska Railroad and the Post Exchange system of the Army to use the same accounting system

⁷ House Report No. 1797, to accompany the bill H.R. 7786, the General Appropriation Bill, 1951, filed in the House on March 21, 1950.

merely because they both happen to be operated by the government.

What is needed, and what to a considerable degree has already been accomplished, is an integrated accounting and budgeting system directly related to the plans and operations of the management of the agency involved. To the extent that this integration can be accomplished, the Congress will receive an intelligible budget proposal and will be in position to act on it with confidence.

Budgeting is not a separate art. A good budget is a natural result of good management and good accounting, and a budget is only as solid as the planned work program on which it is based.

Unrealistic Estimates

AS STATED above, the Committee on Appropriations in 1950 took a positive stand against contract authorization in the annual budget. While it may be argued that it is in the period since that time that the current balances have accumulated, the change to direct appropriations has had nothing to do with that situation. It has been an abnormal period involving the war in Korea and the post-Korea defense program, with a constant clamor for an even larger defense program. Total obligational authority, including both appropriations and contract authorizations, provided for the fiscal year 1950 was \$47.3 billion. Obligational authority for the fiscal year 1952 was \$92.9 billion. For 1955, it was \$57 billion, and balances carried forward amounted to \$67.7 billion.

There is plenty of evidence of unrealistic estimating. For example, the Air Force stated in January, 1953, that it had available for obligation for "Aircraft and Related Procurement" for the fiscal year ending June 30, 1953, \$12 billion, all of which would be obligated; it requested for the next fiscal year, 1954, \$6.7 billion, all of which would be obligated during that year.⁸ Congress appropriated only \$3.5 billion for 1954, yet the Air Force carried forward into 1955 an unobligated balance of \$4.6 billion.⁹

It was during that year that the House Committee on Appropriations made the review

of outstanding obligations and obligation procedures that resulted in the enactment of legislation¹⁰ that has served to correct the situation to some degree. Some programs, however, may justify the carrying of unobligated balances. For instance, at the time contracts are let for air-frames and engines, which require a long period to manufacture, there may be justification in reserving the funds necessary to acquire other equipment that will be required to complete the craft but for which it may not be necessary to let contracts until a later date. The real question to be asked here is whether program planning can be improved upon and more directly related to fiscal requirements.

No mere change in nomenclature—and that is all the change to contract authorization would amount to so far as potential drain on the Treasury is concerned—will affect the situation. If the estimates of the departments have been unrealistic in the amounts they would be able to obligate against appropriations, they would have been equally unrealistic against contract authorization. Liquidating appropriations would have been made on just as unrealistic estimates and the balances outstanding would include both authorization and appropriation overlapping one another.

Positive Annual Control Is Not Feasible

THE proposal of the commission is, in a sense, a defeatist approach to the problem. It admits the necessity of granting to the agencies authority to make contracts and then attempts to control the flow of expenditures by separate action after contracts are firm. The Task Force says that "although the Congress and the executive branch may control the level of payments over a period of years, the payments are not effectively controlled annually." (p. 35) That statement is true, and it would remain equally true if the system of contract authorization were adopted. Annual appropriations, under the method proposed by the commission, would be arrived at by estimating the amount required to meet obligations already incurred with no possibility of control at that point.

The House Committee on Appropriations did not elaborate on its reasons for stopping

⁸ Budget of the United States, 1954, p. 615.

⁹ Budget of the United States, 1957, p. 563.

¹⁰ Section 1511 of Public Law 665, 83rd Congress.

in 1950 the use of contract authorization beyond saying that it "has resulted in committing the Federal Budget to substantial expenditures several years ahead."¹¹ However, the committee, then as always, was under extreme pressure to find every possible means of securing reductions in appropriations. It was that year trying a method which had long been suggested—including all appropriations for the year in a single bill.

In the prevailing atmosphere the committee would not have proscribed contract authorization if it felt that it offered the slightest hope of holding down eventual expenditures. The men who took that action were thoroughly familiar with contract authorization because they had tried it. Year after year they had enacted law after law granting contract authorization in the hope that they were protecting the Treasury. But the day of reckoning settled the issue. They found that all control of the situation had passed out of their hands at the time they authorized the departments to make the contracts. When it came time to appropriate they had to take the de-

years prior to its decision in 1950 to drop contract authorization and go on a straight appropriation basis, had enacted more than \$50 billion of contract authorization. It is only fair to suggest that those who propose to return to this system and extend it to the entire budget should examine the record and show how it worked to the advantage of the taxpayer.

Estimates of Balances Now Available

THE budget for the fiscal year 1955, presented to Congress in January, 1954, for the first time included estimates of balances to be carried forward beyond the fiscal year. Prior to that time, it had been standard procedure for all agencies to estimate that all funds requested would be obligated by the end of the estimate period. The change was made possible through the improvement in accounting and budgeting methods begun several years previously.

The record of the balances estimated and actually carried over from 1955 to 1956 is shown in the following tabulation:

<i>Carryover</i>	<i>Total (billions)</i>	<i>Obligated (billions)</i>	<i>Unobligated (billions)</i>
Estimated in 1955 Budget in January, 1954, six months before beginning of fiscal year 1955	\$50.2	\$46.5	\$3.7
Estimated in 1956 Budget in January, 1955, at middle of fiscal year 1955	\$53.8	\$40.8	\$13.0
Actual stated in Budget for 1957, in January, 1956	\$52.1	\$31.7	\$20.4

partments' word for the amounts that probably would be due in a given year. To have withheld appropriations at that stage would only have resulted in embarrassment to the contracting agencies and impairment of the government's credit with the business community.

The question then is: Why did the Hoover Commission recommend a system tried and found wanting over the years? There is not a line in the commission's report to explain how contract authorization offers any better control over the final expenditure than the present method of appropriation. The House Committee on Appropriations, in the ten

While the total amounts originally estimated to be carried over did not vary materially from the total actually carried over, there was a marked shift from obligated to unobligated.

Of the unobligated amount carried over into 1956 (\$20.4 billion), \$18.2 billion was in the Department of Defense and \$2.2 billion in other departments. In the Budget for 1958 it is estimated that total carryover from 1958 into 1959 will be \$41 billion, of which \$8.5 billion will be unobligated. Of that amount, \$7.9 billion is in the Department of Defense. These figures indicate that some inroads have been made on the backlog in the three years that Congress has had before it statements of balances carried forward. This improvement is the result of orderly, constant attention to

¹¹ House Report No. 1797, 81st Congress, 2nd session, to accompany H.R. 7786, the General Appropriation Bill, p. 4.

details as opposed to a sweeping revolution in system.

The basic problem that should be attacked is the reason for each balance. It would appear that the difficulty lies in lack of coordination between program planning and budgeting. In earlier years there may have been some justification for the program planning arm of an agency not to know enough about the status of outstanding funds to permit a realistic presentation to Congress of future needs. This situation no longer exists, or at least there is no reason for it to exist. Adequate accounting procedures have been, or readily can be, instituted to furnish management with full and complete information as to fund control, so that budgetary requests can be closely related to plans for the future in terms of past performance and indicated capabilities.

The Air Force Sees Its Need

THE Annual Report of the Comptroller General of the United States for 1956, issued on December 26, 1956, includes the following statement with respect to the Air Force:

In accordance with a request by the Assistant Secretary of the Air Force (Financial Management) and the Deputy Chief of Staff (Comptroller), our Office with the assistance of the Air Force, undertook a survey of selected functions and procedures of the Air Force Comptroller's organization and activities. The purpose of the survey was to make recommendations for improvements in organization and procedures and to eliminate duplications, unnecessary records, and ineffective correlation of financial data and related matter. (p. 51)

That is the kind of work which in the long run will pay off. Correlation of financial data and related matters and the proper use thereof are the key to the situation. They can be achieved only through the efforts of the persons responsible for the management of the agencies concerned. It is heartening that the civilian and military sides of the upper echelon of management in the Air Force have joined in a request for assistance, looking to improved budgeting and financial management.

The commission's proposal is a superficial approach that admits the necessity of letting the executive branch have authority to obligate the public Treasury years into the future, yet includes no provision for improved con-

trol. Future financing is necessary within limits, and the job is to find the limits. Intelligent budgeting requires that the executive agencies be vested with sufficient authority to plan their operations into the future. Congress, to meet its responsibilities, must limit that future period as much as possible and retain positive control over it.

But Congress has no executive authority. Congress cannot manage the departments. Congress cannot develop a work program or make a budget. The only weapon available to Congress is to withhold funds and it has done so. In 1947 the United States Maritime Commission was forced to close its doors the last week of the fiscal year and furlough its employees without pay. Such methods, of course, are out of the question where the security of the nation is at stake.

The Hoover Commission might have rendered great service had it gone to the root of the trouble, sought out the causes of each of the balances, and attempted to find a way of eliminating them. What it offers is a palliative for symptoms when what is needed is heroic surgery to find the cause of disease and eliminate it. Large balances exist in just a few items involving only a few offices of the government. Each of them could be readily isolated for special study. The House Committee on Appropriations established the pattern for just this approach and through its efforts has made many improvements. This approach is slow, tedious, and wholly undramatic, but it gets results.

Present large balances have grown up during a period of maximum activity in the building of a greatly increased defense force. In order to be assured of maximum results, Congress has found it necessary to grant to the military agencies broad authority and large amounts of money available into future years. The result has been an abnormal fiscal situation. It may be hoped that some degree of normalcy may be restored now that the defense establishment has been enlarged to handle its larger responsibilities. As is always the case in a period of rapid expansion, there has been a great deal of administrative chaos. Is the request of the Air Force to the Comptroller General evidence that a more orderly day may be in sight?

Reviews of Books and Documents

Government and Economic Life

By MARVER H. BERNSTEIN, Princeton University

PUBLIC ADMINISTRATION AND POLICY FORMATION, Emmette S. Redford, editor. University of Texas Press, 1956. Pp. 319. \$5.75.

THIS volume is a collection of five essays that were originally written as doctoral dissertations in political science at the University of Texas between 1943 and 1953. In his introduction, Mr. Redford explains that the authors share "a strongly developed interest in public economic policy and a parallel interest in public administration," and they hope to achieve in their essays an integration of these two areas of study.

In recent years major efforts to study the interrelationships of policy and administration have generally taken two forms. The first is the case study developed by the Inter-University Case Committee which describes the events and ideas leading to the making of a decision or a series of decisions. The title of the pioneering volume edited by Harold Stein, *Public Administration and Policy Development*, reveals faithfully the preoccupation of the cases with a meaningful integration of policy development and administration. The second type is the study of the administration of a program or a set of programs, such as Gaus and Wolcott's study of the Department of Agriculture or the historical studies of World War II administration.¹ As Redford states, "Such studies are, however, relatively scarce and need to be sup-

plemented." The expressed hope is that the need will be met in part by the five studies included in this publication.

Apart from their common purpose of relating public administration to the formation of public economic policy, the inclusion of these studies in a single volume is justified by the editor in three ways. First, their common focus of analysis is the development of a public program within an administrative agency and an evaluation of "what the agency did for society and how." Second, they deal with subjects or problems that have not already been explored satisfactorily. And third, each of them illustrates the inseparability of technique and purpose in the administration of public economic programs. Or, as Redford states, "they reveal the search for technique by which purpose may be achieved."

Regulating Petroleum Production

IN AMERICAN experience, public regulation of business began usually at state and local levels. Effective demand for national action usually awaited compelling recognition of the unsatisfactory character of state-local action. Ordinarily regulatory legislation was enacted only after the prolonged opposition of trade and industrial interests collapsed in the face of great popular indignation nurtured by economic depression or revelations of scandalous business behavior.

However, some regulatory programs developed mainly in response to the demands of business. On the national level, the most notable examples are the regulation of radio broadcasting, demanded by broadcasters to overcome chaos on the air; the regulation of interstate motor carriers, requested by motor carriers to protect an industry in severe economic straits and by railroads to protect them-

¹ Redford cites the following to illustrate the second type: John M. Gaus and Leon M. Wolcott, *Public Administration and the United States Department of Agriculture* (Public Administration Service, 1940); Arthur W. Macmahon, John D. Millett, and Gladys Ogden, *The Administration of Federal Work Relief* (Public Administration Service, 1941); I. L. Sharfman, *The Interstate Commerce Commission* (Oxford University Press, 1951-57), 5 volumes; and Emmette S. Redford, *Administration of National Economic Control* (Macmillan, 1952).

selves against the competition of truckers; and the regulation of civil air transport, stimulated partly by the aviation industry to forestall direct governmental development of civil aviation, to secure continuing public subsidies, and to restrict entry into the air transport business. On the state level, one of the most significant illustrations of the development of a regulatory program in response to industrial demands is the regulation of oil production in Texas by the Texas Railroad Commission. It is this program that is the subject of the first essay by York Willbern.

The regulatory pattern described by Willbern has three important characteristics. It fixes production quotas rather than prices, and does so very sharply in relation to actual productive capacity of oil wells. Control was undertaken with the enthusiastic support of the oil industry and is regarded by the industry as a form of industrial self-regulation. Finally, it is a stronghold of state as opposed to national regulation. Since Texas produces from 40 to 45 per cent of American oil and contains more than half of the proved oil resources of the nation, the Texas Railroad Commission is the chief agency in the United States controlling oil production, as the recent efforts to utilize the powers of the national government to stimulate the flow of oil to Western Europe following the Suez crisis of 1956-57 proved again.

The essay is a fascinating, although brief, account of the physical and legal factors that have conditioned the development of production controls in the oil industry. It shows how a commission established in 1891 was pushed reluctantly into a difficult area of economic regulation and forced by 1931 to regulate oil production throughout the state. Policy and procedure evolved on a trial and error basis, and procedures were mainly informal. Willbern suggests that informality in procedure and policy formation was facilitated partly because of the dominant position of the industry in the development of the regulatory program and partly because the elected members of the Railroad Commission could not expect to improve their position with the electorate by playing the role of impartial judges.

Control of oil production in Texas, as Willbern demonstrates, violates almost all "canons" of "effective" administration. The Rail-

road Commission is a state agency operating in an area of great national importance. It is guided only in the loosest sense by legislative criteria and standards. It is an administrative board, rather than a single-headed agency, which is substantially independent of the Governor. Its members are elected under a long-ballot arrangement "by an electorate which certainly cannot judge the technical quality of a highly technical job." Employees are not chosen through a formal merit system.

Yet the commission and its regulatory program have survived because, according to Willbern, the chief regulated interests desired regulation from the beginning and have been benefited by it and because the results of regulation have "very happily, and somewhat accidentally, been generally beneficial to the national interests and the interests of consumers in general." He concludes that the Railroad Commission has been a remarkable mechanism for reconciling the views of those within the industry and for carrying them out, a mechanism that will remain unchallenged so long as no great divergence is created between the views of the industry and the wider public interest.

One wishes that this first essay would be extended to include a further analysis of the use of the regulatory framework for controlling oil production in Texas as a form of industrial self-regulation. Willbern's essay is the most successful of those included in this volume, but its brevity has apparently ruled out the kind of documentation that might lead to a fuller understanding of the relationship of administration to interest groups.

Regulation of the Natural-Gas Industry

THE second essay, which is contributed by Ralph Huitt, is primarily a study in the statutory powers of the Federal Power Commission in the regulation of the natural-gas industry.² It focuses mainly on published documents, such as statutes, court decisions, and

² Two earlier articles based on parts of Huitt's dissertation have appeared. See "Federal Regulation of the Uses of Natural Gas," 46 *American Political Science Review* 455-69 (June, 1952); and "Natural Gas Regulation under the Holding Company Act," 19 *Law and Contemporary Problems* 454-73 (Summer, 1954).

formal hearings and reports of the Federal Power Commission and congressional committees, rather than the legislative battle to amend the Natural Gas Act that has raged in Congress and elsewhere for a decade.

Because of the newness of the natural-gas industry and the reluctance of academic people to study emerging areas of government-business relationships, especially those that require a mastery of elemental technology, Huitt's essay is very helpful. Its clear and sober account of the attempt to adapt a conventional regulatory technique to a new and dynamic industry deals mainly with three issues: valuation theory in the light of the Hope Natural Gas Company case; the jurisdiction of the Federal Power Commission over the sales by gas producers to interstate pipeline companies; and regulation of the uses of natural gas. It underlines the difficulty of regulating only part of an industry which, to a large extent, is highly integrated.

Despite the close connection between oil and gas in terms of physical resources, they are poles apart with respect to regulatory techniques and the relationship of interest groups to the unfolding of public policy. The petroleum industry in Texas, which can scarcely be charged with generally supporting the coercive power of government over private property rights, demanded and got a form of government regulation as the industry's most effective way of meeting the crisis of overproduction and falling prices. The natural-gas industry, on the other hand, has followed the pattern of the electric utility industry in fighting aggressively against every effort to maintain or strengthen regulation. Since it cannot now, as the electric utilities did for half a century, rely upon the courts to manipulate the constitutional doctrine of substantive due process and the mysterious vagaries of valuation theory, it has turned to the legislative process to free itself from national control. Moreover, like other organized interests, it has tried to influence the appointment of commissioners whose views might be congenial to those of the industry. Unfortunately, these valuable essays on oil and gas regulation are not framed in such a way that they complement each other directly, nor do they appear to yield cumulative insights into the relation of interest groups to policy formation by administrative agencies.

Supervision of Banking

ONE suspects that in its original form, Guy Fox's study of the "oldest regulatory activity of the national government," the supervision of banking by the comptroller of the currency, may have been more interesting. Fox traces briefly the evolution of the bank supervision function; he examines the organization and personnel of the comptroller's bureau and the comptroller's relations to the President, the Treasury Department, Congress, and the banks subject to his control; and he describes the comptroller's functions and techniques of control. In its revised form, much of the account reads like a formal statement of organization and functions in a government manual.

No doubt it is useful to have a reliable study of a national regulatory function that developed before farmers and shippers succeeded in creating the Interstate Commerce Commission. But in its truncated form, the essay manages to avoid discussion of significant issues. To give one example: bank supervision is based mainly on field examinations by bank examiners. During the examination process and at other times, the examiner is in a position to advise bank managers informally. According to Fox, the regulatory impact of the comptroller lies mainly in moral suasion, advice, and counsel, rather than in formal orders. Indeed, there is almost a complete absence of notice, hearings, and other formal procedures. Despite the informal and summary nature of the activities of the comptroller and his staff, there is a remarkable degree of judicial finality to the administrative decisions. What is missing in the account is a picture, based on direct observation in the field, of the informal relationships between banks and examiners.

In view of the strong position taken by the American Bar Association on the need to protect individuals from arbitrary and unlawful administrative action, what explains the relative unconcern with the lack of judicial process in the comptroller's functions? What accounts for the apparent satisfaction of bankers with the work of the comptroller? Many of the author's references designed to throw some light on such questions are drawn from annual reports of the comptroller of the pre-1920 period.

One wonders whether they are properly applicable to the present situation.

As Kenneth Davis has done much to illuminate, the scope of discretion exercised by regulatory agencies through informal devices and activities may carry both special advantages and disadvantages for groups subject to regulation. As administrative agencies eclipse the courts in their devotion to judicial formality, administrative use of informal actions such as friendly advice or a threatening letter, may come to have a heightened significance. A consideration of fair procedure in administrative agencies should devote more attention to such informal activity in the future. The bank supervision field seems to present a promising candidate for this type of analysis.

The Lower Colorado River Authority

STUDENTS of administration who have followed the lead of John Gaus in relating development of public policy and program to their environmental context will welcome Comer Clay's study of the Lower Colorado River Authority (LCRA). In this rather unique analysis of a multipurpose river development corporation lying wholly within the boundaries of a single state, Clay highlights the environmental factors that have contributed to the success of a difficult undertaking.

The essay is essentially the story of achievement by a state government corporation embracing ten counties in Texas. The emphasis is on what was done rather than how. The LCRA is offered as an example of what a state may be able to do in developing its own resources. At the same time, as Clay indicates, the requisites of effective administrative performance are indeed substantial: sound engineering, adequate financing, first-rate management, adequate legal authority, and a favorable political climate. The Tennessee Valley Authority may be an obvious reminder that outstanding performance does not necessarily stimulate the creation of more TVA's.

Investigatory Function of the FTC

IN THE final essay Hugh M. Hall, Jr., studies the investigatory functions of the Federal Trade Commission. His limited purpose is to "show what problems and conditions the com-

mission studied, what conclusions and recommendations were offered, and, especially, what impact the investigations had upon public policy," especially since 1933. The FTC investigations are grouped into eight categories, and an enormous amount of published material, mainly FTC reports, is summarized.

Hall concludes that the FTC has "served well as an agency to gather facts on problems of public concern." He finds that FTC investigations have had some influence upon legislation, particularly in the enactment of the Celler Anti-Merger Law of 1950, amending Section 7 of the Clayton Act. However, the accumulation of facts generally has not had a significant impact upon regulatory activities. The outstanding exception is the FTC investigation of basing-point pricing practices, which provided fundamental support to the enforcement actions of the FTC. Among the shortcomings of the investigatory function are listed the following: too much emphasis on accumulating facts and insufficient attention to their interpretation and relevance to the purposes of the investigation; lack of imagination, boldness, or constructive thinking in the FTC in framing policy recommendations; the antitrust framework of the FTC's investigations, which gives its inquiries an antitrust twist that often render the findings and recommendations inapplicable or excessively narrow; and lack of support in Congress.

Perhaps the major limitation of this study is the slight attention given to analysis of the substance of FTC reports. For example, the impact of the FTC's reports on corporate concentration following World War II was vitiated at least in part by the widespread attack on the soundness of the statistical basis of the commission's findings. However, Hall does not deal with the soundness or accuracy of the reports. As Redford states in his introduction, "ordinarily the economist studies market factors and the political scientist and the sociologist study legislation and administration, but when state policy is involved neither aspect of study is adequate by itself and neither can be conducted effectively without reaching into the other area." The intermingling of economics and political science is not wholly satisfactory in this instance.

When the FTC was established in 1914, it

was one of a very small number of economic investigative bodies in and out of Congress. Moreover, during the 1920's, when the Supreme Court succeeded in undermining the efforts of the commission to develop a common law of fair trade practice, practically the only functions of the FTC were the stimulation of trade associations and the conduct of inquiries, especially for Congress. Since 1930, the environment of the FTC has changed drastically although its methods of doing business and even its basic outlook have largely survived in their original form. Its facilities for economic inquiry are now surpassed by those of a vast complex of departments and bureaus, legislative committees, interdepartmental committees, Cabinet committees, advisory committees of private citizens, and other governmental and private agencies.

In the political economy of the 1950's, the FTC's function of investigation has encountered far more competition than would have been dreamed possible before 1930. Congressional reliance on independent commissions for legislative proposals and factual data has probably declined even though committees still continue the ritual of declaring independent commissions "arms of Congress" rather than parts of the executive branch. Presidential use of commission inquiries has never been great. The Presidency will doubtless retain its preeminent role as initiator of legislation, and the Chief Executive is not likely to look to the FTC and other independent commissions for the accumulation of facts or for major legislative proposals except when the issue is rather narrowly confined and clearly within their operating jurisdiction.

Research and Publication

A COLLECTION of essays suffers from the same disability as a group of short stories or a program of one-act plays. It changes the subject so often that the cumulative impact is dissipated. Nevertheless there is merit in including these five essays in a single volume. In recent years, it has not been a simple matter to publish scholarly works in the field of public administration and economic policy. While a reasonably good market exists for the publication of articles in the professional journals,

many clinical studies of governmental administration in various areas of economic policy and regulation exceed the scope of an article. Often the publication of a book may be deemed inadvisable by publishers because the controversies that dramatize the importance of public economic policy are rarely resolved or stabilized sufficiently to enable the writer to arrive at a clear-cut conclusion. Today's conclusion may be rendered obsolete by tomorrow's developments.

The Random House (formerly Doubleday) Short Studies in Political Science were designed in part to make possible the publication of monographs of less than the customary book length, yet important enough to be brought to the attention of the reading public. The solution of the Texas Press may be more effective than that of the Short Studies if only because two hard covers seem to impart an apparent durability and dignity that a pamphlet lacks. The university presses in particular might emulate the brave decision of the University of Texas Press and scholars should be grateful to Mr. Redford for persuading the Press, if persuasion was indeed required, to embark on this publishing venture.

There is another and more important reason for welcoming this volume. It makes available to students and scholars of public administration and the regulatory process five clinical studies of administrative operations in various fields of economic policy. Moreover, two of the five studies deal with the activities of a state, the governmental level most likely to be ignored in administrative studies of public economic policy. If one or two of them are stamped with dullness, they at least can fairly claim to add to our knowledge of the political economy of the United States.

The publication of these essays may encourage other students and scholars to complete research in progress in the hope of finding a similar publisher. The fact is that we have need for much more research and writing in the broad area of government and economic policy. Without attempting a careful survey of our principal research needs, some suggestions for research may be in order. Most of the "government and business" textbooks appear to emphasize those activities that were of primary significance when the national government

budget did not exceed \$6 billion and the independent regulatory commissions really occupied the center of the political economy stage.

Most students of government and economic policy have not yet begun to study the impact of science and technology on governmental policy and economic life. Atomic energy will doubtless be one of the most strategic regulatory programs of the national government in the years ahead, but very few political scientists have attempted to ground themselves in the subject adequately. Natural gas, which Mr. Huitt has tackled here and elsewhere, has a significance to the economy that rivals that of electric energy; yet the field of study is occupied mainly by lawyers and engineers. Civil air transport, agriculture, and water resources policies have received more attention, but analysis of significant developments has not yet been exhausted. In these areas, more clinical studies are needed to gain understanding of the development of public economic programs and to demonstrate, as Redford says, that "public administration is understandable only as part of the total political process."

In addition to our need for more clinical studies of government economic policy and its administration, students and practitioners of public administration do not yet enjoy an articulate definable concept of the public interest, although Redford has been a major contributor to a better understanding of the concept. Herring, Leiserson, Huntington, and others have deepened our awareness of the interrelations of economic interest groups and public administration, but we have not yet accumulated and digested sufficient empirical data to yield significant generalizations about the role of interest groups in administration. Moreover, political scientists have generally been rather timid in exploring the capacity and resources of various governmental agencies to administer public economic programs.

It seems highly probable that the pattern of government-business relationships that has developed since the beginning of World War II is significantly different from the pattern of relationships prevailing during the 1920's or the Great Depression. Many business leaders today appear to be far more concerned about their responsibility for managing their corporate enterprises in ways not inconsistent with the welfare of society than are students in understanding the development of business ideology. Disclosures of outrageous business behavior in the late 1920's and early 1930's no longer provide us with a usable portrait of business conduct today. But we have done very little to provide ourselves with the raw materials that go into such a contemporary portrait. We know little about the devices and institutions designed by business to deal with governmental agencies. We have not analyzed the changes in government-business relations that have occurred since 1952.

In areas where law and administration overlap, our progress in research has not been notable. We do not yet have a history of the movement to reform the process of administrative adjudication that began in 1933. We have no recent study of the impact of the Administrative Procedure Act on the operations of national government agencies. The Hoover Commission Task Force on Legal Procedures made a frontal assault on the traditional processes of administrative justice, but its proposals have been largely ignored by the academic profession. The field of statutory interpretation is still treated by most teachers as a footnote to undergraduate courses on constitutional law.

The Redford volume in itself is a useful contribution to the literature of government and economic life. It may multiply its worth many times if it stimulates significant research and encourages publishers to undertake similar projects.

Research Notes

Compiled by John C. Honey,
Director, Government Studies Program,
National Science Foundation

Social Process in the Prison Community

Studies of the prison community under two forms of government were recently completed at the Institute for Research in Social Science at the University of North Carolina and at the University of Hawaii. The central hypothesis employed in these studies was that the habits and beliefs that constitute the culture of the inmate community are largely determined by the manner in which it is ruled. A consequent assumption was that major changes in prison government will produce social disorganization and change in inmate culture. The orientation was that of political theory, not penology, and the basic conceptual tool employed was an authoritarian-democratic continuum.

Conclusions were based on field research in two relatively small, maximum security prisons—Oahu Prison, Hawaii, and Central Prison, North Carolina—and on a study of the transition from authoritarianism to democratic organization at Oahu. The contrast between recent developments in Oahu Prison and the traditional prison governments offered an opportunity to test, in their societies in microcosm, the type of propositions that have been advanced about behavior in autocratic and democratic group atmospheres.

NOTE: Readers of *Public Administration Review* are invited to report items of research in progress through Research Notes. A report should include information on such matters as the conceptual framework of the study, its aims, tentative conclusions, anticipated uses, sources of information, principal investigators, and expected date of completion.

Research Notes are compiled by three members of the staff of the National Science Foundation: Mrs. Kathryn S. Arnow, John C. Honey, and Herbert H. Rosenberg. Reports should be addressed to John C. Honey, Director of Governmental Studies, National Science Foundation, Washington 25, D. C.

Oahu Prison in Hawaii, a decade ago, and Central Prison in North Carolina provided examples of extreme authoritarianism. Absolute power was exercised by a few men who owed no responsibility to their subjects. Neither the needs nor the interests of the subjects were represented in the processes of decision. Social control was founded on domination, censorship, secrecy, and fear.

Striking similarities existed between the two prisons, despite the distance that separated them and the difference in the cultural backgrounds of inmates, because of the common factor of authoritarian prison government. Inmate culture was an adjustment to its closed-in and power-dominated environment. Leadership was related to power but it was shared by those who manipulated it and those who resisted it most firmly. Punished incorrigibles, stripped of informal power, held status as Promethean culture heroes.

A means of manipulating power, in addition to the direct use of force, was to rationalize in satisfying ways the apparently arbitrary actions of officials. Myth and distortion served, like primitive religion, to explain the uses of mysterious force.

At Oahu Prison this situation was challenged by a new warden whose faith in democracy and lack of prison experience worked a revolution. The study of that revolution casts light on the process of social and governmental change.

The course of change at Oahu involved conflict and a struggle for power in the institution. Decisions were delegated to a democratically organized staff council. Unable to operate effectively there, the custodial force lost power to new, inexperienced staff members in a progressive redefinition of policy and regu-

lations. Treatment-oriented officials seized control of sanctions and incentives by which the custodial staff had ruled the prison.

Changes accomplished included establishment of judicial disciplinary procedures, abandonment of rituals that had supported the psychology of domination, and a decline in regimentation. An inmate council was established with large responsibilities for inmate welfare. Its committees shared in management and conducted studies on policy. The prison gradually changed from a military dictatorship to a government in which an armed force served to maintain order but was subordinated to other social purposes which included reorganized educational and industrial programs. Inmate society came to be marked by a new mobility, and intelligent, educated new men reached a position of leadership in a short time.

Change was accompanied by social disorganization and periods in which the rise of assaults and escape threatened complete loss of control. The method of restoring control was to answer inmate questions frankly and face to face—dispelling any lingering idea that the government of prisoners was “none of their business.” Communication and understanding replaced secrecy and force as the basis of social control.

This research on Oahu Prison is regarded as confirming certain assumptions of social disorganization as related to governmental change. The extent of disorganization was so great and lasting that the expected benefits in rehabilitation from the new prison government could not yet be demonstrated when the research terminated. Both internal disorder and parole failure increased sharply in connection with the transition in penal management. Internal order was restored on a new basis of respect and understanding, as opposed to force and fear. But the new structure of prison society had not yet proved that it could reduce the rate of parole failure below that of the old. It had proved, however, that a new type of prison government could produce responsible inmate leadership, cooperative behavior, and attitudes of confidence through which rehabilitative penology could directly influence inmate thought and action.

Materials for this comparative study were

gathered in person at Oahu and Central prisons during the period 1952-54 by Richard McCleery who also spent some time at Oahu in 1945-47. Procedures used were participant observation, group studies with inmate leaders, interviews, and a series of questionnaires on law enforcement and prison management practices. Social organization and process, leadership, and scapegoating were observed in the process of forming two study groups—one of incorrigibles and another from the prison yard.

Mr. McCleery's studies were financed by a grant from the Doris Duke Foundation. A portion of the study was described in *The Strange Journey*, a University of North Carolina Extension Bulletin published in 1953.

City Livability: Attitudes and City Planning

The immediate goal of a project in city planning at the University of North Carolina is to develop a workable tool that urban planning agencies can use in identifying public preferences and expectations concerning the kinds of “livability” qualities the city should possess or acquire in the course of urban development. A long-range goal, beyond the scope of the present research, is to obtain sufficient experience in the use of the tool to be able to reach generalizations concerning livability in cities of varying size, intensity of development, economic character, and so on.

While some previous studies have attempted *a priori* measures of the “goodness of cities,” no study had yet attempted a systematic definition of livability qualities in the urban environment in terms of prevailing local concepts of livability. By “feel” city planners believe that certain forms of civic design, certain kinds of patterns of land use and transportation, appeal to urban dwellers more than do others, and that these patterns elicit a higher degree of satisfaction and result in a fuller city life and more stable forms of group behavior. However, little effort has been directed toward determining through available social science research techniques what conscious or unconscious attitudes of livability can be identified among organized and unorganized groups in a city and whether city plans, in fact, match up with prevailing attitudes.

In the present research study, attention is focused primarily on (1) the interrelationships between group and individual values and urban development, and (2) the identification of attitudes and expectations of the general public, groups, and individuals concerning the livability of the city as conditioned by their present physical environment.

A number of exploratory interviews in the New York metropolitan area during the summer of 1956 have tended to confirm the fundamental hypothesis implicit in the project: that there are a number of characteristics of the urban environment that stimulate attitudinal responses bearing on livability. These vary from person to person and are ultimately measurable. Environmental characteristics that are of special interest are those specific physical elements that are perceived by the respondent as factors of livability, such as wide streets, the presence of congestion, and the location of community facilities.

The research is also concerned with identifying nonphysical elements that are perceived by the respondent as factors in livability. Two of the most important of these factors may be job opportunities and family relationships. Others may include such things as friendships, low living costs, and other similar social and economic elements. These latter are being studied to permit comparison of the relative importance of physical and nonphysical elements as determinants of livability of a city.

Exploratory interviewing began during the summer of 1956 within the New York metropolitan area, which was selected because it permitted inclusion of persons from a wide variety of environmental settings, urban and suburban. Among the major areas of interview content were: (1) respondent's experience in urban living—where, what sort of neighborhoods?; (2) likes and dislikes about New York metropolitan area; (3) physical boundaries of his "neighborhood" as perceived by the respondent; (4) factors in respondent's decision-making about present dwelling.

While there are as yet no findings, some impressions are suggestive of hypotheses for later study. For example, the decision-making associated with intracity or intrametropolitan area

movements provides excellent clues about livability values. City-to-city movement, however, is not apt to be motivated by considerations of livability; jobs and family relationships are almost entirely responsible for such movement. Some physical qualities were mentioned frequently in relation to like or dislike for an area. The concept of "space" appeared to be important, both in an aesthetic sense (good to look at, good to have a feeling of space) and a functional sense (place for the children to play, place to hang the laundry). On the other hand, some physical elements did not appear to elicit much concern. Among these were community facilities such as schools, shopping places, libraries, and churches, which were apparently taken for granted.

On completion of a survey under way in Durham, North Carolina, a refined schedule will be prepared for later administration to a random sample, drawn from one or more cities, for the purpose of testing hypotheses that are developing during the present phase of the project.

The project is being carried out by F. Stuart Chapin, Jr., professor of city planning, and Robert L. Wilson, research assistant, at the University of North Carolina, Chapel Hill, North Carolina.

Training Programs for Federal Personnel, Detroit Area

Evaluative materials on an executive and intermediate management development program for federal personnel working in the Detroit area have recently been developed on the basis of a series of interviews with participants. The program, which has been in existence since September, 1953, has been a cooperative endeavor involving the Detroit Federal Personnel Council, the faculty of the Department of Political Science of Wayne State University, and the faculty of the University of Detroit. It has had two major parts: (1) a series of special seminars "arranged specifically for present and potential top administrators" and a special dinner seminar for top administrators, and (2) an intermediate management development program aimed at a considerably larger potential clientele.

The major purpose of the evaluative study was to provide an accurate description of the

participants and their reactions to the programs, as a basis for evaluation. No evaluation was actually attempted. The procedure followed was to interview all participants in the executive development phase of the program, who were still available in the Detroit area, on the basis of a carefully developed questionnaire, and to interview a sample of the intermediate management development group, also on the basis of the questionnaire.

A wide range of subjects was covered in the evaluation. It touched on such matters as the general effects of the program on the participants' job performance; the subsequent ability of participants to communicate the benefits of the program to others; reactions to course content and conduct; and the relation between participation in the course and subsequent promotion and job satisfaction.

Some of the tentative generalizations made possible by the evaluative materials included:

1. The various federal agencies prepared their students for the program largely in terms that emphasized their selection on the basis of grade level or other formal qualifications rather than any personal attributes or leadership potential.
2. More of those who took the intermediate management development course gave as their main reason for so doing an interest in personal advancement and promotion than did participants in the executive development group. The latter tended to cite curiosity or interest in the subject matter and a belief in education and self-improvement in general. This difference in personal motivating factors was regarded as due to the fact that the intermediate management development group were generally in lower grades than the executive development group and still had perhaps a greater chance of promotion.
3. Although it was difficult to distinguish between general improvement on the job and specific improvement attributable to participation in the management courses, it was considered significant that a group of supervisors and other individuals in a position to observe participants reported subsequent changes in their job behavior that were attributable to some phase of the job training program.
4. There was mixed response on the question of subsequent promotion and job satis-

faction experience. Some participants appeared to feel that participation did not hasten promotion. The evaluating consultant felt these responses indicated "a certain disenchantment with agency promotion policies." Others felt that the training program did improve a participant's chances for promotion, largely, it appeared, because "it looked good in one's file." Certain individuals reported greater job satisfaction after participation in the training program. Variations in satisfaction appeared to be related to differences in agency rather than level of job.

5. In general, the participants felt the program should be continued intact or with some minor modifications. This reaction was interpreted as "an overwhelming endorsement of the program." The minority who felt that the course should either be radically revised or abandoned entirely came from two of the twenty-three federal agencies that participated.

The evaluation of the program was made possible by Joseph Stymeist, director of civilian personnel, Ordnance Tank Automotive Command. Robert J. Mowitz, associate professor of political science, Wayne State University, served as consultant in charge of the study.

Principles and Methods of Analysis for Resource Problems

It is generally recognized among students of resource problems that the uses of our diverse human and natural resources are complexly interrelated. It is also generally recognized that wiser and more efficient resource policies must go hand in hand with increased understanding of these interrelations and increased knowledge of their quantitative significance. This project is designed to: (1) increase our understanding of these interrelations; (2) make possible sounder estimates of the relative magnitude of the various factors associated with any current or potential resource problems; and (3) permit the clearer perception of the crucial elements in programs that affect balanced regional development and optimum resource utilization.

The specific aims of the project are:

1. To study systematically and comprehensively existing and emerging concepts, meth-

ods, tools, techniques of analysis, and theories in the several social sciences, particularly economics, in order to develop more productive approaches and methods in acquiring insights to the solution of pressing resource problems.

The problems around which the proposed research will chiefly center are those associated with the larger-type geographic regions. The approaches and methods to be developed, however, are directly applicable to the analysis of problems of urban-metropolitan regions as well, and will have major uses in other problem studies concerned with: (a) the improvement of principles and methods for evaluating resource development projects and programs, both public and private; (b) the correction or mitigation of unemployment and distress in certain areas or industries heavily dependent upon waning natural resources; (c) the role of energy in the United States economy; (d) the improvement of the administration and management of resource enterprises and programs; (e) the possibilities for economic and social development in smaller watersheds; and (f) the impact of national tariff policy upon specific industries and local areas, and thereby upon the national economy as a whole.

2. To furnish improved analytic frameworks upon which resource studies can draw in their empirical research and to whose further improvement resource studies can contribute by furnishing additional testing materials and hypotheses.

The following techniques, theories, methods, and approaches will be investigated to determine their potential usefulness for future resource problem studies: (a) gross regional product (GRP) projection techniques; (b) regional and interregional input-output (inter-industry) analysis; (c) linear programming, operations research techniques, game theory; (d) spatial interaction and gravity models; (e) industrial complex analysis; and (f) National Bureau of Economic Research methods, average and marginal (historical trend) ratio projections, and demographic techniques.

These broad investigations will extend and go beyond the traditional forms of analysis in industrial economics, regional and urban economics, location theory, economic geography, and other fields. As the stronger elements of each technique, theory, method, or approach

are identified, ways in which they may be fused and interwoven will be explored.

The study, which is financed by a five-year grant from Resources for the Future, is under the direction of Walter Isard, The Wharton School of Finance and Commerce, the University of Pennsylvania.

Overseas Programs of American Universities

While for many years American universities have sent portions of their staffs abroad to engage in cultural and technical programs, in the last decade this activity has been vastly increased through the use by federal agencies and private foundations of university resources to conduct overseas technical assistance and related programs. In order to understand better the impact on teaching and research in American universities carrying on such overseas activities, as well as to appraise the utility of such programs abroad, the Carnegie Corporation has made a grant to Michigan State University to conduct a two-and-one-half-year study. The study is viewed as a companion inquiry to that being undertaken by Syracuse University and also financed by the Carnegie Corporation for the development of a program for education and training better to prepare Americans for overseas public service. (See Winter, 1957, *Review*, p. 64.)

The general objectives of the study will be, first, to develop factual information on the numbers and nature of present overseas programs of American universities, including the background to their development, their location, the disciplines involved, and their staffing requirements, costs, and related data. Second, the impact of these programs will be examined in terms of the extent to which formal objectives have been accomplished, new areas of competence have been developed in the host country, and better understandings have emerged among direct participants in the projects. Third, attention will be given to changes in the educational objectives, program, and practices at American universities participating in overseas technical assistance work.

The following types of programs will be considered: (a) those requiring that American universities send staff members overseas to a

particular country for more than a year, (b) those involving the employment of nationals of other countries at an American university where the university in turn sends staff to the foreign countries concerned, (c) those involving the training of the nationals of other countries at American universities, and (d) those where American students are trained abroad, in part at least, by staff from American universities.

The research will be conducted through visits to a sample of some thirty university campuses and to about a dozen foreign countries. Both interviews and mailed questionnaires will be used, as well as a wide variety of published and unpublished source materials. The countries selected will reflect as nearly as possible the wide variety of university overseas programs.

Since the study involves major policy considerations for American universities, foundations, and government agencies, it is anticipated that one or more advisory committees with appropriate representation from these kinds of organizations will be established. For the purpose of organizing and conducting the study Michigan State University has established an Institute of Research on Overseas Projects, attached administratively to the Office of the Vice President for Academic Affairs. Edward W. Weidner is serving as over-all study director. Other staff members are to include an overseas research group of nine or ten and a state-side group of three or four on a part-time basis.

Transportation Center Program

A program designed to provide a better understanding of the nation's transportation industry and its related social and economic problems is under way at the Transportation Center of Northwestern University. Particular attention is being directed toward obtaining a greater appreciation of the role of transportation in the present economy and future development of the country. Three broad questions are under investigation:

1. How do certain modes of transportation compare with other modes in their relation to each other and to the industry as a whole, and how might these relations be altered to serve

the nation in time of war or national emergency?

2. How might these normal relations change as the nation expands both in population and in industry?

3. Have the economics justifying the different modes of transportation been obscured by government regulation, subsidization, and taxation?

In connection with these questions, a broad, many-sided research and investigation effort has been designed. It includes the following projects:

1. The projection of future trends for the transportation industry as a whole and for each of its different fields. Statistical methods will be employed to evaluate the effect of technological, economic, sociological, and geopolitical factors on transportation.

2. Based on the foregoing analysis, special studies will be made of the effect of transportation changes on the economy and sociology of the country. Conversely, a study of the effect of the economic and social changes on the transportation picture will also be undertaken.

3. Studies will be sponsored with the goal of developing new techniques for using sociology, technology, and political science data in operations research forecasting. Considerable information is now available on the use of economic criteria but it is felt that economic data alone are insufficient to obtain a reliable estimate of the future of transportation.

Two specific studies which will explore these lines of inquiry are: (1) a review of the regulatory philosophy of the Civil Aeronautics Board to determine its degree of consistency internally and to evaluate its interpretation of "public convenience and necessity" and "public welfare"; and (2) an evaluation of data relating to transportation that are emerging from the St. Louis Metropolitan Survey with a view to determining some of the factors involved in the interplay between transportation and social structure in an urban area.

Scott Greer, recently chief sociologist of the St. Louis Metropolitan Survey, is evaluating the St. Louis data. Edwin T. Haebele, assistant to the director of the Transportation Center, 1818 Hinman Avenue, Evanston, Illinois, will provide further information.

Contemporary Topics

Compiled by Opal D. David and William B. Shore

Reorganization Act Extension Requested

President Eisenhower sent a message to Congress on April 1 recommending enactment of legislation to extend the Reorganization Act of 1949 for four years. This act provides that plans for the reorganization of executive agencies submitted by the President become effective after 60 days of congressional session unless disapproved by a majority of the membership of one of the Houses.

The reorganization procedure has its roots in the Economy Act of 1932 under which President Hoover was permitted to initiate executive branch reorganizations by Executive orders subject to review by the Congress. The general pattern for the existing procedure was established in the Reorganization Act of 1939 in line with recommendations of the President's Committee on Administrative Management (the Brownlow Committee).

With the entry of the United States into World War II, temporary executive reorganizations without congressional review were authorized by the First War Powers Act. Following the cessation of hostilities, the Reorganization Act of 1945, closely patterned after the 1939 act, was in effect for three years. In 1949 the present reorganization statute was adopted, with the strong endorsement of the first Commission on Organization of the Executive Branch of the Government (Hoover Commission). In December, 1954, the second Hoover Commission unanimously recommended further extension of the act.

Lease-Purchase Developments

Last February the federal government temporarily suspended work on most of its lease-purchase program under which post offices and other public buildings were to be financed and constructed by private capital with the understanding that the government would buy them

in the form of rent over a period of several years. (Spring, 1956, *Review*, p. 157.) The announced reason for the stop-order was that under existing competitive conditions for labor and materials the program would have an undesirable inflationary effect.

At the time the decision was made to halt further activity under the program, 48 projects submitted by the Post Office Department and 98 by General Services Administration had been approved. Contracts for architectural and engineering services had been negotiated for a number of these projects but construction contracts had been approved for only one of the GSA projects and a very small number of post office projects. Work on these projects was continued, but all other approved projects were stopped.

The history of this program provides some interesting sidelights on legislative-executive relationships. When the authorizing legislation was under consideration in the Senate in 1954, objections were raised by the executive branch and by some members of the legislative branch to a proposed procedure which would have required the executive agencies to come back to the Public Works Committees of the Senate and House for approval of specific projects to be constructed under a program which had already been approved generally by the whole Congress. In an effort to meet this objection, the measure was changed in conference committee to make the approval by the Public Works Committees a prerequisite for action by the Appropriation Committees to provide funds—thus limiting the effect of their action to the legislative function *technically*.

Additional conflict developed over the administration's decision to postpone further action under the program. Members of the interested congressional committees sharply questioned officials of the Bureau of the Budget and the Treasury appearing before them

on their responsibility for the action taken, often with special reference to projects which had been approved for construction in their home states or districts. Officials of the executive branch have maintained that they have the authority and the responsibility for making the decisions regarding the speed of the program in relation to its effect on the national economy.

Early in May the administrator of GSA, appearing before a Senate Public Works Subcommittee, announced that in view of an apparent "leveling off" of inflationary pressures they had resumed advertising for construction bids. He asked that the present law be extended for three years beyond this July's expiration date and that it be amended to exempt lease-purchase buildings from state and local property taxes during the acquisition period.

Presidential Inability Question Revived

President Eisenhower set off a new round of discussions about possible action to put an end to the uncertainty on the question of presidential inability when he called congressional leaders of both parties to the White House on March 28 to discuss a suggested constitutional amendment. The proposal, which was drafted by the Attorney General following intensive study of the problem by a committee of which he was chairman, provides two ways in which the Vice President may temporarily take over the duties of the President: (1) The President himself may notify the Vice President in writing of his disability and direct him to take over until he has recovered. A further written notification would advise the Vice President when he was ready to resume his duties. (2) In case the President is unable or unwilling to determine his own disability, his Cabinet may decide by a majority vote whether he is able to continue in office. This action may be initiated by any member of the Cabinet or by the Vice President, but only members of the Cabinet may vote on it.

A meeting of the Judiciary Committee of the House of Representatives was called on April 1 to hear a detailed presentation of the proposal by Attorney General Herbert Brownell, but no further action has been taken by the Congress. A number of bills on this subject

have been introduced since the hearings over a year ago by a Special Judiciary Subcommittee to Study Presidential Inability. (Spring, 1956, *Review*, p. 153.)

Training Legislation Reported

The Senate Post Office and Civil Service Committee has reported out favorably S. 385, a proposed federal employee training act, which would greatly strengthen and expand the authority for providing special training opportunities both within and outside the government.

Amendments agreed upon in committee deal with two problems—in-service training and conflict-of-interest aspects of awards and scholarships—which have been the subject of recent decisions of the Comptroller General. (Winter, 1957, *Review*, p. 66.) Inclusion in the bill of general authority for all federal agencies to train their own employees was urged by Commissioner Frederick J. Lawton who appeared before the committee to express the strong support of the U. S. Civil Service Commission for the proposed legislation. Stephen K. Bailey of Princeton University appeared in behalf of an amendment to exempt from the application of the conflict-of-interest statutes contributions from outside the government made in the form of scholarships and awards, such as the Rockefeller Public Service Awards. The committee acted favorably on both of these amendments.

Authority for administering the federal training program is vested by the Senate bill in the President, who would delegate to agency heads the responsibility for the programs in their own organizations in accordance with the general policy and regulations established under the President's direction.

Hearings on the bill have not been scheduled by the House Post Office and Civil Service Committee.

One-Man Civil Service Commission

Congressional delay in confirming the two Republican nominees for membership on the U. S. Civil Service Commission left control of the agency in the hands of its Democratic member, Frederick J. Lawton, for a period of several weeks following the resignations, on February 28, of former Chairman Philip Young,

who has since been appointed Ambassador to The Netherlands, and Commissioner George M. Moore, who has rejoined the staff of the House Post Office and Civil Service Committee.

March 1 was the effective date of legislation enacted last year establishing six-year overlapping terms for the members of the commission, who were previously appointed for terms subject to the pleasure of the President.

Commissioner Lawton, who was renominated for a six-year term, served as acting chairman pending confirmation, on April 17, of the Republican nominees—Harris Ellsworth, former Congressman from Oregon, and Christopher H. Phillips, former Deputy Assistant Secretary of State for International Organization Affairs. However, no action could be taken during this period on much commission business for which the law requires approval by a majority of the three-man agency. Requirements of this kind apply, for example, to the issuance of policy statements, approval of regulations, approval of the establishment of supergrade positions, and action on appeals cases.

Political vs. Career Executives

One of the last official acts of former Civil Service Commission Chairman Philip Young, in his capacity as Personnel Adviser to the President, was the distribution of a letter to the heads of all federal departments and agencies asking each of them to review their personnel situations and report to the commission any cases of career personnel occupying executive positions which involved formulation or defense of administration policies. Wherever such situations were found, agency heads were advised to correct them by requesting additional Schedule C positions if necessary. Agency heads also were asked to determine whether there were instances where political executives had to report through career executives and, if so, to eliminate such relationships through reorganization or other measures.

This request was one more step in the administration's stated policy of establishing a clear line between the government's career and political executives, as proposed by the Hoover Commission in its report on personnel.

On the career side, the Executive Office currently is circulating to the departments and agencies for comment a draft Executive order which would establish a five-member career executives board to be responsible for developing, within the framework of the civil service, a program to recruit and train career executives for the federal service. Members of the board would be appointed by the President: two from within the government and three from outside. The appointment of this board looks toward the establishment of a senior career service, also recommended by the Hoover Commission.

The Federal Executive—His Environment and Job

A series of eight round table discussions on The Federal Executive—His Environment and His Job was held at The Brookings Institution in Washington, D. C., during February, March, and April, 1957. The meetings, financed by the McKinsey Foundation for Management Research, were designed to explore important areas of political and administrative experience not usually available except as reported from the experience of participants. Discussants were federal executives at the sub-Cabinet and top career levels. Wallace S. Sayre, Columbia University, served as chairman of the group, and Marver H. Bernstein, Princeton University, was executive secretary.

The first three meetings dealt mainly with special characteristics of the federal executive's environment. The fourth and fifth meetings turned to problems of the political executive and the career executive respectively. The final three sessions were concerned with similarities and differences in the performance of political and career executives, the problems in getting and keeping able executives, and the conclusions reached by the group.

The discussions were recorded and it is anticipated that this material, supplemented by some further interviewing and research, will result in a book to be published by Brookings under the title of the series.

1957 Operation Alert

Operation Alert 1957—the fourth annual civil defense exercise to train participants in meeting problems of atomic attack—will be

held in mid-July. All agencies of the federal government having essential wartime functions will participate, and demonstration evacuations or other civil defense service actions will be carried out in various local areas.

This year's exercise, which was developed by an interagency committee on the basis of suggestions from state civil defense directors and other civil defense organizations throughout the country, will be held in three phases.

In the initial period, July 8 to July 12, local and state civil defense directors will rehearse evacuation plans, civil defense service actions, and other readiness activities, with public participation.

During the second period, starting July 12 at 11:00 a.m. EST and ending July 14 at 6:00 p.m. EST, assumed nuclear attacks on a number of cities will take place. Reports of these hypothetical attacks will be relayed to central headquarters, together with information on evacuations and deployment of evacuees. Local areas will work on survival and support actions and determine the national assistance needed for recovery.

In the final phase, July 15 to July 19, federal officials will be working on problems and actions required to meet the nation's survival and recovery needs and to maintain the continuity of the government. Cadres of federal employees at relocation sites of the federal government will be expanded and it is anticipated that certain organizations which would come into existence in the event of war will be tested on a limited basis for the first time.

In this year's Operation Alert for the first time in these annual exercises the nature and extent of the hypothetical nuclear attack and the cities involved will become known to federal departments *only* as details are released by local civil defense directors as the exercise unfolds. This information includes the time each city is "hit," the hypothetical location of the point or points of detonation, the type of burst, and the hypothetical weapon size. In previous years the attack pattern was known several months before the exercise actually started.

Paperwork Management Progress

One of the task forces established by the Second Hoover Commission was concerned with

better management of the voluminous paperwork of the federal government. The final report of the commission referred to substantial savings resulting from exploratory work of the task force group and urged continuing attention to this activity under the leadership of the Bureau of the Budget and the General Services Administration.

Since corrective measures in this area can often be taken by administrative action, this portion of the Hoover Commission recommendations has been acted upon more promptly than some others requiring legislative authorization by the Congress.

Perhaps the most spectacular example of a paperwork control program following the commission recommendations is provided by the Department of Commerce.

Preliminary reports show some dramatic examples of savings and improvements. In one bureau 142 forms were eliminated out of 485 surveyed in the first two weeks of the campaign. In another bureau, more than 75 file drawers of classified materials were declassified and burned. A coast-to-coast news telecast took note of the campaign with a shot of the 27 tons of disposable records and files piled in the main Commerce Building ready to be trucked away.

Preparatory work on the program in Commerce began in June, 1956, with consultations and requests for suggestions from the administrative officers of the department. On the basis of these suggestions, an outline of the principal elements to be reviewed was prepared to guide the bureaus and offices in their surveys and to insure uniformity of approach throughout the department. Within this framework, the individual bureaus and offices were made responsible for the issuance of specific instructions particularly applicable to their paperwork problems. Promotional material, prepared in the central office and distributed throughout the department, explained the one-month "crash" program, which started October 1, and invited employees to submit their suggestions through the regular Incentive Awards Program of the agency.

Other agencies with active programs attacking the paperwork problem are the Post Office, Air Force, and Forest Service. Also, the General Services Administration is running a

series of Correspondence Management Workshops in a number of the departments.

In its annual report for fiscal year 1956, recently issued, GSA reports savings of \$4.3 million resulting from surveys in nine departments and agencies. Increasing use of Regional Record Centers also has resulted in great savings, the report states, and unit costs in the record centers have dropped more than 20 per cent in three years of operations.

Increased Activity in Federal Joint Accounting Program

In addition to the work of the U. S. Bureau of the Budget with federal agencies on a "planned program for improvement of financial management" (see Winter, 1957, *Review*, p. 66), activities of the Bureau, General Accounting Office, and Treasury in the Joint Accounting Program have been increased.

Two steering committees, one for civilian agencies, one for the Defense Department, now meet weekly to review problems, consider agency financial management programs, and exchange information. The committees also have initiated governmentwide studies of central financial reporting requirements, disbursing arrangements, and overhead costs on government-sponsored research. A major purpose is to increase the value of government financial information to administrators.

The Budget Bureau's newly established Office of Accounting has been expanded to 20 employees to permit the bureau to provide leadership in such financial management projects.

Rules Made by Federal Agencies To Be Investigated

Decisions of federal regulatory agencies will be investigated to "see whether or not the laws as intended by the Congress were being carried out or whether they were being repealed by those who administer them." A subcommittee of the House Committee on Interstate and Foreign Commerce, headed by Morgan M. Moulder (D-Mo.), has received a \$250,000 appropriation for an 18-month study.

Some 135 federal agencies have power to fill in with specific regulations the general principles enacted in laws and, usually, to investi-

gate violations of their rules, hold hearings on the alleged violations, and punish offenders, subject to limited review by the courts.

AEC Developing Ethical Standards

Ellyson G. Outten, of the Office of Investigations, Inspection Division, Atomic Energy Commission, is interviewing persons in this country and in Europe to develop a basis for a code of ethics for commission personnel. One phase of his study is an analysis of rules of conduct for government employees in European countries.

Bill to Establish a Department of Urban Affairs

The American Municipal Association has circulated to governmental affairs organizations a draft of a bill, for discussion purposes only, to establish a department of urban affairs in the federal government. The department would have:

1. All functions of the Housing and Home Finance Agency and its constituent organizations.
2. Authority to match state funds spent in administering programs that concern urban areas or in coordinating federal-state cooperative enterprises having an impact on urban areas.
3. Directives to conduct research and provide technical assistance to states on metropolitan problems.

An interdepartmental council on urban affairs would be headed by the secretary of the new department and would include heads of federal departments and agencies having major programs in urban areas. A public advisory committee on urban affairs, composed of three members representing states and six representing local governments, would meet two to six times a year and, among other things, evaluate the department's activities.

Governors Propose Administrative Changes

In messages to their legislatures, sixteen governors proposed major administrative changes, a Council of State Governments survey has shown. Strengthening the governor's lines of authority was an element in many of the proposals.

A department of administration was proposed by West Virginia's governor and an administrative analysis unit, set up by executive order, was announced by the governor of Ohio. An executive budget was advocated in Colorado, as well as reorganization powers similar to those of the President.

Independent boards and commissions would be abolished and their powers transferred to agencies directly responsible to the governor under legislation submitted by the governors of Iowa, Maine, Maryland, Oregon, and Utah. Terms of department heads would parallel the governor's, making the appointee more responsible to the appointing governor, according to bills put forward by the governors of Maine and Massachusetts. Maine's governor also asked for large-scale consolidation of the 29 major and 80 minor state agencies. In Kansas and Maine, four-year terms for the governor were advocated, and in Pennsylvania a constitutional amendment to allow the governor to succeed himself was recommended.

Finance administration would be changed by proposals of the governor of Illinois, where the Hodge scandal stimulated legislation to substitute an appointed post-auditor and treasurer for elected officers; Nebraska, where central accounting and a comptroller were proposed; and Delaware, Illinois, Kansas, Wyoming, and Utah, where centralization of some or all of state financial administration was advocated.

Other organization changes proposed were a natural resources department incorporating conservation programs administered by a large number of agencies in Colorado and Iowa; a Little Hoover Commission and a labor department in Delaware; a federal-state relations unit in Massachusetts; a regional economy division in the Massachusetts Commerce Department to cooperate with other New England states; a central car pool in Nebraska; a planning division in South Carolina to supervise public works construction; and a centralized public works unit in Ohio to integrate capital improvements planning.

Gubernatorial concern with personnel arrangements was expressed in Colorado, Delaware, Idaho, Iowa, Massachusetts, Pennsylvania, Utah, and Wyoming. Expanded in-service

training up to the university graduate level was proposed in Colorado, and additional management training was proposed in Massachusetts. The need for stepped-up recruitment was mentioned by the governors of Iowa and Massachusetts. More centralized responsibility for personnel management was advocated by the governors of Delaware, Idaho, Iowa, West Virginia, Utah, and Wyoming.

Wyoming Passes Reorganization Bills

Wyoming has centralized revenue collections formerly handled by a large number of agencies, following up on one of twenty-eight reorganization bills passed by the recent session of the Legislature. Another of the new laws establishes a Personnel Commission to classify jobs and standardize salaries and personnel qualifications. The commission consists of the Governor, personnel director, and assistant budget officer. Department heads retain hiring and firing powers.

Governor Asks More Staff before Submitting Budget

The newly elected Governor of Missouri, James T. Blair, Jr., was confronted with agency budget requests of more than a billion dollars for a two-year period. (The Missouri legislature meets biennially.) He had a one-man budget staff and less than a month of time before he had to submit the budget to the legislature.

His decision in this situation was to submit agency requests as they were submitted to him, but only for the first year of the biennium. Then he asked for a budget staff of an assistant budget director, two senior budget analysts, an O & M analyst, four junior investigator-analysts, two statistical clerks, one allotment clerk, and necessary stenographic help. The staff, he said, would study the second year's budget requests and submit a real executive budget to a special session the following year.

R. P. Knuth, research director of the Missouri Public Expenditure Survey, writes that "the governor's fiscal policy statement has received unanimous approval from legislators, the press, and others. . . . Not one partisan note has appeared."

Largest State Paperwork Control Study Completed

A report has been issued on a two-year records management study of Illinois state government, called by the head of the consultant firm the largest paperwork control program ever instituted by any state or local government. Naremcu, a wholly-owned subsidiary of the National Records Management Council, conducted the study, trained state personnel, and installed the changes.

The report claims that the creation of 10 million pieces of paper and the filing of 7 million more have been stopped. In addition, 41 million processing steps were eliminated and 3.5 million mechanized.

Total savings already are placed at \$850,000, more than five and one-half times the cost of the survey. Major savings resulted from emptying \$201,000 worth of file cabinets and ending \$643,000 in personnel costs.

The survey was authorized by the state legislature two years ago; Naremcu was selected from twelve firms that bid on the project. An advisory committee composed of the Secretary of State as chairman, the State Treasurer, Auditor, Attorney General, and Director of Finance worked with the consultants.

Follow-Up on the Cornell Conference on Highway Management

Last summer's management conference for administrators of state highway departments, held at Cornell University, had as a major purpose the stimulation of further administrative training. (Autumn, 1956, *Review*, p. 331)

Departmental training courses were organized in Wyoming and Wisconsin as a direct result of the conference, a survey of participants showed. The Wyoming Highway Commission requested the University of Wyoming to set up a course in administration for the 24 top executives in the Highway Department. The department paid the costs of the course and selected the participants. Seventeen two-hour weekly classes were held, starting with a study of principles and cases in organization followed by examination of the organization of the Highway Department itself. Other management subjects were approached similarly. Plans for the same kind of course for the next

level of department executives are under discussion. Wisconsin planned a short course for district engineers and principal staff personnel at headquarters, set up by the University of Wisconsin.

The Kansas Highway Department also is contemplating a management training course in cooperation with one of the state schools.

Two kinds of administrative training sessions have been held for highway personnel in California, but both antedated the Cornell conference. A course for all supervisors was tried in a district office and is being revised for further use, and a four-day conference for personnel of all state agencies has been sponsored the last two summers by the State Personnel Board and the University of California at Los Angeles.

The Delaware Highway Department expects to add administrative subjects to its annual in-service training program. New York is considering drastic revisions in its administrative training for highway personnel.

All but one of the twelve responses from Cornell conferees indicated that the conference influenced their activities and plans. This was stated specifically or was implied in suggestions for future conferences.

Intergovernmental Statewide Meetings on Highway Program

Statewide information sessions on the federal highway program, bringing together points of view of city, county, state, and federal administrators, have begun in Minnesota and Utah, sponsored jointly by the American Municipal Association and the American Association of State Highway Officials. The meetings are part of the program of a continuing committee of the two associations to help guide and coordinate highway building. (Winter, 1957, *Review*, p. 69)

National representatives of the four levels of government formed a panel interrogated by government leaders of the state where the meeting was held. Governors Orville L. Freeman of Minnesota and George D. Clyde of Utah, Commissioner Charles D. Curtiss of the U. S. Bureau of Public Roads, and Pyke Johnson of the Automotive Safety Foundation were among the main speakers.

Problems discussed included objections to

the financial contributions required of cities, excessive by-passing of cities, delay in urban construction, failure to consult municipal officials on urban routes, inadequate access control laws, inadequate provision for right-of-way acquisition, and compromise on standards.

Census Reports of Government Finances, Employment

There were 280 full-time civilian government jobs (part-time jobs were translated into their full-time equivalent) per 10,000 population in October, 1956, the U. S. Bureau of the Census has announced. About 30 per cent were in education, 15 per cent in defense.

Average monthly earnings of full-time state and local employees ranged from \$215 in Mississippi to \$413 in California; they were \$412 in Michigan. Average state and local salaries rose from \$264 in October, 1951, to \$316 in October, 1955; they increased to \$334 in October, 1956.

State expenditures rose 9.8 per cent in fiscal 1956 over the previous year; general revenue rose 15.3 per cent; and debt increased 15.1 per cent. State expenditures in 1956 averaged \$133 per person.

Model County Charter Published by National Municipal League

A single strong executive is the core of the Model County Charter recently published by the National Municipal League. The charter provides for a county manager similar to a city manager, but is readily adaptable either to a strong elected chief executive or to an appointed chief administrative officer with a manager's supervisory powers over administration but without his appointive powers.

Other provisions affecting administration include:

1. Power to contract with governmental units within the county or next to it to provide, purchase, or jointly perform services.
2. Central purchasing and personnel officers. (In small counties, the manager might serve as one or both.)
3. A five-year capital improvements program, the current year to be included in the regular budget.
4. A manager's budget message explaining the budget "in terms of work to be done."

5. Planning powers lodged in the county council rather than in a separate planning commission, with a planning advisory committee which may initiate proposals.

In an introduction, John E. Bebout, author of the charter, suggests a unified county police department, including the sheriff's powers added to jail responsibilities, or a more comprehensive department of law enforcement with prosecuting and coroner powers as well. He also suggests a department of records and court services, combining duties of recorder of deeds, clerk of court, and court bailiff.

Closer relations between county school administration and county government are also proposed, with the school budget incorporated in the general budget and perhaps such school business functions as purchasing of noneducational supplies, finances, building maintenance, and construction placed under the manager.

"There is evidence of a mounting belief in the American county and a growing interest in preparing county governments to meet greater responsibilities," Mr. Bebout concludes.

Public Health Services Consolidated in Allegheny County

In Allegheny County (Pittsburgh) public health services formerly performed by city and state health units in the county have been consolidated in a county health department which becomes the fifth largest local public health organization in the country.

County responsibility for public health activities was recommended by the Metropolitan Study Commission of Allegheny County and by a County Health Study Committee organized by the county commission. The new county health department inherited the organization and most of the staff of the Pittsburgh department. Although the county is almost entirely urban, the central city includes less than half the county's population. The few health services that had existed outside Pittsburgh were not coordinated, according to the Health Study Committee.

Salary Survey of City Health Employees

According to a survey of the Committee on Salaries of the Conference of Municipal Pub-

lic Health Engineers, 7 per cent of the established positions for sanitarians and 23 per cent of the engineering positions in 371 full-time city health departments are vacant, apparently because salaries are far below those paid in comparable jobs.

Sanitarian salaries are rising rapidly, but the annual median salary remains about \$750 below that of male professional and technical workers in the United States. Health department engineers receive a median annual salary that is \$2,400 less than that of engineers in private industry and \$1,000 less than that of county and city engineers. Salaries in 1956 for city public health engineers with no experience ranged from \$4,250 to \$4,650 while the median starting salary for engineering school graduates was \$5,040. Industry generally offered higher fringe benefits and moving expenses as well, the survey adds.

The report also notes that the median salary of vacant sanitarian positions is higher than the median salary of currently employed sanitarians, although one-third of the vacancies require no experience. Contrarily, salaries of vacant public health engineer positions are \$1,000 a year below the median of engineers now employed in city public health departments.

Salaries vary sharply geographically, the report finds, the Far West paying far more than other sections of the country, the Southeast somewhat less.

St. Louis Establishes Budget Bureau

St. Louis has established a Budget Bureau with a director and four employees. A future staff of twelve is planned. The budget director is responsible to the Board of Estimate and Apportionment composed of the mayor, comptroller, and president of the Board of Aldermen. The director is appointed by the comptroller with the approval of the Board of Estimate.

City Campaigns against Turnover

Finding that 611 of 1,176 full-time employees appointed during the year had left city employment before the year was out, Kansas City has embarked on a program to discourage turn-

over, described in *Public Management*, February, 1957.

1. A letter was distributed reminding the 500 supervisors, from department heads to foremen, of the high cost of turnover.

2. An eight-page booklet *How to Induct the New Employee*, suggests to supervisors the need to put the employee at ease, explain the work of the section, tell the employee what is expected of him, appoint a sponsor for him, and follow up on his work and job satisfaction.

3. The personnel director welcomes each new employee by letter.

4. An employee handbook is sent to his home.

5. After six months of employment, each employee has an orientation period on city government, administration, and history.

School Administrators Develop Standard Accounts

Standard accounts to permit comparison of finances of all school districts in the country have been developed by five national educational associations and the U. S. Office of Education; they are published with explanations by the office as Bulletin 1957, Number 4, *Financial Accounting for Local and State School Systems*.

Such account categories as "expenditures for textbooks," "teachers' salaries," and "supplies," which often mean different things in different districts, are defined for standard use. For example, a long list of usual school purchases are labeled either supplies or equipment, and methods of prorating costs that apply to more than one category are set out.

Most accounts are on a program basis, but some object classifications are included. A "clearing account" system eliminates entry of borrowed funds twice (both receipt and expenditure of the loan and the money that repays it).

Already the accounts have been installed in four states; elsewhere five statewide committees are taking initial steps to adopt them.

Two years were spent in developing the standard categories, beginning with a meeting called by the Commissioner of Education with delegates from the National School Boards As-

sociation, the American Association of School Administrators, the Association of School Business Officials of the United States and Canada, the Council of Chief State School Officers, and the Department of Rural Education of the National Education Association, representing different points of view in school administration.

In all, three national and eight regional conferences and a series of committee meetings brought together nearly 200 high-level administrators to prepare the document.

Research on Selection of Potential Managers

Research on predicting management potential has been started by the University of Minnesota Industrial Relations Center, using tests and reports from six Minnesota business firms.

The first project consisted of two parts: (1) analyzing the work done by 250 managers in these firms, ranging from first-level supervisors to \$35,000-a-year executives; (2) analyzing their personal characteristics—the kind of information generally requested on job application forms—and the results of intelligence and psychological tests.

The typical manager of this sample works 42 hours a week at the office, 4 hours a week at home. He spends 12 hours supervising, 9 planning, 7 coordinating, 6 evaluating, 5 investigating, 5 negotiating, 2 staffing, and 1 representing his organization. However, 14 very different patterns, applying to at least 15 managers each, appeared in the survey. For example, some spend nearly half of their time planning, very little negotiating or representing; some spend well over half their time supervising, none or almost none negotiating, representing, staffing, or investigating.

Personal characteristics of these managers showed that high-ranked executives have more education and participated in more organizations during school and young adult years than the low-ranked executives. Tests showed them more intelligent, confident, and dominant.

Hypothetical selection criteria were devised which, if used before these managers were se-

lected, would have eliminated 64 per cent of the low-ranked executives but only 16 per cent of the high-ranked ones through personal history data, 54 per cent of the low-ranked managers and 21 per cent of the high through psychological tests.

The center is looking for firms to participate in a larger study to test these results.

AMA Courses, Scholarships, Provided for Federal Executives

Scholarships for federal civil service executives to attend American Management Association courses have been provided through a fund contributed by AMA management classes, composed primarily of industrial executives. An AMA faculty member, William H. Kushnick, executive director of the Instrument Society of America, proposed the fund and a number of classes have agreed to contribute to it. Mr. Kushnick was director of civilian personnel in the Office of the Secretary of War and consultant to the Departments of the Army and Air Force during the war.

Writing in *Good Government*, November-December, 1956, Mr. Kushnick reported that the great majority of class members "sincerely felt that there was a fellowship among all management people and that this fellowship should extend as well to the federal manager. They felt equally strongly that the sharing of management problems, ideas, and experiences between industrial and governmental managers would benefit both groups."

Sixteen federal executives have taken the four-week course since the scholarships were inaugurated two years ago. The Scholarship Fund pays travel and per diem; AMA waives the \$750 tuition fee.

Fund directors make the final selection after a federal interdepartmental committee of training and development personnel under the Civil Service Commission forwards names selected from nominees submitted by each federal agency. Priority is given those with little management training but great potential. All have been grades 14 or above.

Public Administration BULLETIN

American Judicature Society
American Municipal Association
American Society for Public Administration
American Society of Planning Officials
Federation of Tax Administrators
International City Managers' Association
National Association of Housing and Redevelopment Officials
Public Administration Service
Public Personnel Association

Easy to file—One subject to a page

Public Administration CALENDAR

Special price to ASPA members—\$1 per year. \$2 to non-members. Bulk rates on request.

Please send ☐ Public Administration BULLETIN
semi-monthly
 \$2.50—ASPA members — \$5—non-members
☐ Public Administration CALENDAR
quarterly
 \$1—ASPA members — \$2—non-members

☐ I enclose \$.....
☐ Please bill me

Name
 Address
 City, State

To order, fill in subscription form, mail to:
**AMERICAN SOCIETY FOR PUBLIC
 ADMINISTRATION**
 6042 Kimbark Avenue, Chicago 37, Illinois



PUBLIC ADMINISTRATION SERVICE
1313 EAST SIXTIETH STREET
CHICAGO 37 ILLINOIS

METROPOLITAN COMMUNITIES: A BIBLIOGRAPHY

By Government Affairs Foundation, Inc.

Contains over 5,000 references to bibliographies, books, articles, pamphlets, surveys, and other materials—many annotated—on all aspects of metropolitan government. Of special usefulness to public officials, civic leaders, research workers, teachers, and students. 1957, 392 pp., cloth, \$10.00

PUNCHED CARD PRIMER

By Burton D. Friedman

Record-keeping and reporting tasks have become major headaches to businesses, big and little, governmental and private. **PUNCHED CARD PRIMER** presents "the basic facts of punched card life" and describes how, when, and if to use punched card equipment. The cards and equipment of International Business Machines, Remington Rand, and Underwood Samas are described.

1955, 85 pp., case bound, \$3.50

THE MUNICIPAL INCOME TAX: ITS HISTORY AND PROBLEMS

By Robert A. Sigafos

A critical problem of many local governments today is the raising of adequate revenue for an expanding program of essential services. The municipal income tax may offer a reasonable solution to the financial crisis. Robert Sigafos brings you up to date on what has happened and what may happen in this area of taxation.

1955, 176 pp., cloth, \$5.00

STATE GOVERNMENT AND ADMINISTRATION: A BIBLIOGRAPHY

By Dorothy C. Tompkins

This volume presents a guide to primary sources for the study of state government and administration. In general, the bibliography has drawn on materials issued since 1930. Annotations clarify obscure titles and indicate content, and the index, by author and subject, makes readily available the detail of text and references.

1955, 269 pp., indexed, cloth, \$6.00

BUSINESS ACTION IN A CHANGING WORLD

Edited by Henry C. Thole and Charles C. Gibbons of the W. E. Upjohn Institute for Community Research

A selection of 27 readings on many dynamic facets of management of interest to business and government administrators alike. Each reading has been selected because it is practical, specific, recent, and readable. Selections cover such topics as the changing role of management; management action in such areas as industrial research, product planning, and stimulating productivity; and employment stabilization through the guaranteed annual wage. 1956, 319 pp., indexed, bibliography, cloth, \$5.00

Princeton UNIVERSITY PRESS

Soldiers and Scholars

Military Education and National Policy

By JOHN W. MASHLAND and LAURENCE L. RADWAY

This important study discusses the increasing role of the military in the formulation of national policies and the changes this calls for in professional military education. The authors present a forthright analysis of military responsibility today, the growth of education for policy roles, the form and content of that education, and its relation to the overall duties of the armed forces.

530 pages. Charts. \$7.50

Bureaucracy and Society in Modern Egypt

By MORRIS HERZER

What is the effect of a strong central government on the political and economic structure of a nation like Egypt? How does the bureaucracy operate in normal times and in such crises as the Suez Canal dilemma? What are the higher civil servants like? This appraisal discusses these questions, revealing the place of the civil service in the administration and social structure of Egypt. Based on interviews and careful statistical analysis, this book is a pioneering effort that should serve as a model for similar studies in the future. *Princeton Oriental Studies: Social Science, No. 1.*

244 pages. \$4.75

Order from your bookstore, or

PRINCETON UNIVERSITY PRESS

Princeton, New Jersey



Eugene B. Power
University Microfilms
313 N. First Street
Ann Arbor, Michigan